

James L Murphy, III (615) 252-2303 Fax (615) 252-6303 Fax (615) 252-6303 Fax (615) 252-6303

June 28, 2005

VIA HAND DELIVERY

Carolyn E. Reed Counsel Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re: Docket No. 05-00168 - Joint Petition of MCI WorldCom

Communications, Inc. and vCustomer Corporation For Expedited Approval of the Assignment of the Contract to Provide Relay Services and to Operate the Tennessee Relay Center and the Transfer of the Tennessee Telerelay Call Center, Directory Assistance, Operator Services and Other Related Assets to vCustomer Corporation

Dear Carolyn:

In response to your request, enclosed please find fourteen (14) copies of Schedule 2.4 to the Asset Purchase Agreement (the "Agreement") between MCI WorldCom Communications, Inc. ("MCI") and vCustomer Corporation ("vCustomer") which identifies the equipment that is being transferred by MCI to vCustomer pursuant to the Agreement. The copies of Schedule 2.4 are being filed under seal and stamped "Proprietary" to protect the competitively sensitive nature of the material contained therein. If you need any further information regarding this transaction, please do not hesitate to contact me.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

James L. Murphy III

JLM/ilm

Enclosure

cc: Marsha Ward, Esq. (via email, w/out enclosure)
David I. Adelman, Esq. (via email, w/out enclosure)

Jose David (via email, w/out enclosure)

E. Ashton Johnston, Esq. (via email, w/out enclosure)



James L. Murphy, III (615) 252-2303 Fax (615) 252-6303 Email jmurphy@boultcummings.com

TO A DUD'ET DOC!

June 22, 2005

Honorable Pat Miller, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

05-00168

Re:

Joint Petition of MCI WorldCom Communications, Inc. and vCustomer Corporation For Expedited Approval of the Assignment of the Contract to Provide Relay Services and to Operate the Tennessee Relay Center and the Transfer of the Tennessee Telerelay Call Center, Directory Assistance, Operator Services and Other Related Assets to vCustomer Corporation

Dear Chairman Miller:

Enclosed please find the original plus fourteen (14) copies of the Petition for Expedited Approval of the Assignment of the Contract to Provide Relay Services and to Operate the Tennessee Relay Center and the Transfer of the Tennessee Telerelay Call Center, Directory Assistance, Operator Services and Other Related Assets to vCustomer Corporation, together with our check in the amount of \$25.00.

James 1

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

JLM/jlm

Enclosures

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

In re: Joint Petition of)	
)	
MCI WorldCom Communications, Inc.)	
and)	
and)	
vCustomer Corporation)	Docket No <u>25-20</u> /68
Dan Danish da American Andrews Andrews Andrews)	
For Expedited Approval of the Assignment of the)	
Contract to Provide Relay Services and to)	
Operate the Tennessee Relay Center and the)	
Transfer of the Tennessee Telerelay Call Center,)	
Directory Assistance, Operator Services and)	
Other Related Assets to vCustomer Corporation)	

JOINT PETITION FOR EXPEDITED APPROVAL

MCI, Inc., and on behalf of its subsidiary MCI WorldCom Communications, Inc. (collectively with MCI, Inc., "MCI"), and vCustomer Corporation ("vCustomer") (together, the "Petitioners"), through their undersigned counsel and pursuant to T.C.A. § 65-4-112 and TRA Procedural Rules 1220-1-1.08, hereby request that the Tennessee Regulatory Authority (the "Authority") grant them such authority as may be necessary or required to permit the consummation of a transaction involving the assignment to vCustomer of the contract to provide relay services and to operate the Tennessee Relay Center between the State of Tennessee, Tennessee Regulatory Authority and MCI which is attached hereto as Exhibit A (the "TRS Contract"), and the transfer of the Tennessee Telerelay Call Center and assets related to directory assistance, operator services business and other related assets to vCustomer. Following the sale of these assets, through various operating subsidiaries, MCI, Inc. will continue to provide the interstate, intrastate, and local telecommunications services.

With respect to the TRS Contract, Petitioners specifically request approval pursuant to Section D.5 of the TRS Contract, which provides as follows:

The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State [defined as the State of Tennessee, Tennessee Regulatory Authority]. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to 'Conflicts of Interest' and 'Nondiscrimination.' (sections D.6 and D.7).

Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

Further details concerning the benefits of this transaction are set forth below.

I. DESCRIPTION OF THE PARTIES

MCI, Inc. is a corporation created and existing under the laws of the State of Delaware, with its principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Through various operating subsidiaries, including MCI WorldCom Communications, Inc., MCI, Inc. provides international and domestic interstate, intrastate and local telecommunications services. Additional information about MCI, Inc. is available at www.mci.com.

vCustomer Corporation is a corporation created and existing under the laws of the State of Washington with its principal office located at 520 Kirkland Way, Kirkland, Washington 98033. vCustomer provides business process services, as well as contact center and technology support services. VCustomer has filed an application with the Authority (the "CLEC Application") seeking the authority to provide competing operator services within the State of Tennessee. Information regarding vCustomer is found in the CLEC Application and in the Affidavit of Jose S. David, which is attached hereto as Exhibit B. Additional information about vCustomer is available at www.vcustomer.com.

AO 1287997 2 1073378 1090864

II. CONTACT INFORMATION

Correspondence concerning this Petition may be directed to:

MCI:

James L. Murphy III, Esq. Boult, Cummings, Conners & Berry, PLC 1600 Division Street, Ste. 700 Post Office Box 340025 Nashville, Tennessee 37203

Phone: (615) 252-2303 Fax: (615) 252-6303

Email: jmurphy@boultcummings.com

With a copy to:

David Adelman, Esq. Sutherland Asbill & Brennan LLP 999 Peachtree Street, N.E. Atlanta, Georgia 30309 Phone: (404) 853-8000

Fax: (404) 853-8806

Email: david.adelman@sablaw.com

And:

Marsha Ward, Esq. MCI, Inc. 6 Concourse Parkway, Ste. 600 Atlanta, Georgia 30328

Phone: (770) 284-5490 Fax: (770) 284-5488

Email: marsha.ward@mci.com

vCustomer:

E. Ashton Johnston

DLA Piper Rudnick Gray Cary US LLP

1200 19th St.

Washington, D.C. 20036

Phone: (202) 861-6665

Fax:

(202) 689-7089

Email: ash.johnston@dlapiper.com

III. **DESCRIPTION OF THE TRANSACTION**

On April 15, 2005, MCI entered into an Asset Purchase Agreement with vCustomer (the

"Agreement"), whereby MCI agreed to sell, and vCustomer agreed to purchase, certain assets of

MCI related to the relay services business. A copy of the Agreement, with the competitively

sensitive information redacted, is attached hereto as Exhibit C. In Tennessee, the telerelay

service assets include the TRS Contract and the Telerelay Call Center located at 1725 N. Shelby

Oaks Drive, Memphis, Tennessee 38134. The Assignment and Assumption Agreement (as

defined in the Agreement) between MCI and vCustomer will provide that vCustomer assumes all

of MCI's obligations under the TRS Contract, including without limitation, Sections D.6 and D.7

of the TRS Contract pertaining to "Conflicts of Interest" and "Nondiscrimination," respectively.

Following the sale, Tennessee consumers will still have access and will be able to obtain,

telerelay services from vCustomer.

MCI is also selling certain equipment and information technology used for the provision

of directory assistance and operator services to vCustomer. MCI is not selling its directory

assistance or operator services databases to vCustomer. Pursuant to an exclusive services

agreement with vCustomer, MCI will continue to provide directory assistance and operator

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services to its retail, end user customers in this state.

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The closing of the transaction, pending receipt of all regulatory approvals and satisfaction of pertinent representations and warranties, is anticipated to be complete by August 27, 2005. However, in order to close the transaction on this schedule, regulatory approval needs to be received by August 1, 2005 of this year.

Under the terms of the Agreement, MCI's employees who are actively employed in the relay services business on the closing date who become employees of vCustomer will be offered similar employment and benefits as currently offered by MCI. MCI does not anticipate any layoffs at MCI associated with the sale. Because the institutional expertise and equipment of MCI's telerelay service business will be transferred to vCustomer, the Petitioners anticipate that the transaction will be smooth and transparent to and not impact. Tennessee customers. vCustomer will perform all obligations of the Contractor under the TRS Contract.

IV. EFFECT OF THE TRANSACTION

This transaction is part of MCI's ongoing strategy to simplify and focus its business. vCustomer has considerable expertise in delivering call center services and in integrating technology to provide new services and improve quality. Tennessee consumers will benefit because MCI's resources will be better directed toward providing high-quality, high-value network services to vCustomer in the provision of Tennessee Relay Services and vCustomer will focus on its core call center expertise and apply those to continue to ensure excellent service to Tennessee Relay customers. vCustomer is purchasing all facilities equipment technology and databases that are used in the support of Tennessee Relay Services. All MCI employees who support Tennessee Relay Services will be transferred to vCustomer. MCI will continue to provide the required network to vCustomer and the current access numbers and network

¹ The Affidavit of Jose S. David attached hereto as <u>Exhibit B</u>, describes vCustomer's plan for transition following the transaction

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connections will remain in place. Given this thorough transfer and transition plan, the Petitioners anticipate that the transaction will be smooth and transparent and will have no impact to Tennessee Relay customers. vCustomer will establish a position of increased flexibility and capability to serve the Tennessee Relay customers and will be able to continue to provide innovative services and improved functional equivalency to Tennessee Relay customers.

V. THIS PETITION SHOULD BE CONSIDERED ON AN EXPEDITED BASIS

The public interest will be best served by the expeditious grant of this Petition. Approval of the transfer of the aforementioned telerelay assets will simplify MCI's business and allow MCI to focus on its core business while at the same time enable vCustomer to apply its call center expertise in the provision of Tennessee Relay Services. Further, an expedited approval will ensure certainty of the closure of the transaction and enable a smooth transition between MCI and vCustomer. Tennessee Relay customers will benefit through the combination of MCI's and vCustomer's expertise in this area.

VI. CONCLUSION

For the reasons stated above, the Authority should conclude that the public interest, convenience and necessity would be furthered by the transaction described hereinabove. Therefore, the Petitioners respectfully request that the Authority act as expeditiously as possible to (1) approve the assignment to vCustomer of the TRS Contract to provide relay services and to operate the Tennessee Relay Center, (2) approve the transfer of the Tennessee Relay Center and assets related to directory assistance, operator services business and other related assets to vCustomer, and (3) grant all other relief as is necessary and appropriate to effectuate the transaction described hereinabove.

AO 1287997 2 1073378 1090864 DATED: June _____, 2005

Respectfully submitted,

MCI, Inc., on behalf of itself and MCI

WorldCom Communications, Inc.

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James J. Murphy III, Esq.

Boult, Cummings, Conners & Berry,

PLC

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Nashville, Tennessee 37203

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Email: marsha.ward@mci.com

vCustomer Corporation

E. Ashton Johnston

DLA Piper Rudnick Gray Cary US LLP

1200 19th St.

Washington, D.C. 20036

Phone: (202) 861-6665

Fax: (202) 689-7089

Email: ash.johnston@dlapiper.com

VERIFICATION

Kin Wilh

I, Marsha A. Ward, state that I am Vice President, State Regulatory Affairs of MCI, Inc., Petitioner in the foregoing Petition of MCI, Inc.; that I am authorized to make this Verification on behalf of MCI, Inc; and that the statements in the foregoing Petition relating to MCI, Inc. are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this ____ day of June, 2005, at Atlanta, Georgia.

By: _____

VERIFICATION

I, Kennard B. Woods, state that I am Senior Attorney, MCI Law and Public Policy of MCI, Inc., Petitioner in the foregoing Petition of MCI, Inc.; that I am authorized to make this Verification on behalf of MCI, Inc; and that the statements in the foregoing Petition relating to MCI, Inc. are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 22 day of June, 2005, at Atlanta, Georgia.

Kennaed Bleboods



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VERIFICATION

I, Jose S. David, state that I am the Chief Financial Officer of vCustomer Corporation,

Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of

vCustomer Corporation; and that the statements in the foregoing Petition relating to vCustomer

Corporation are true of my own knowledge, except as to matters which are therein stated on

information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **21** day of June, 2005, at Kirkland, Washington.

By: Jose S. David

Exhibit A

Copy of TRS Contract

CONTRACT BETWEEN THE STATE OF TENNESSEE, Tennessee Regulatory Authority AND MCI WORLDCOM COMMUNICATIONS, INC.

This Contract, by and between the State of Tennessee, Tennessee Regulatory Authority, hereinafter referred to as the "State" and MCI WORLDCOM COMMUNICATIONS, INC., hereinafter referred to as the "Contractor," is for the provision of relay services and the operation of the Tennessee Relay Center (TRC), as further defined in the "SCOPE OF SERVICES," procured by the Request For Proposal released March 30, 2001 and its amendments and the Contractor's proposal.

The Contractor is a for-profit Corporation. The Contractor's address is:

500 Clinton Center Drive, Clinton, Mississippi 39056

The Contractor's place of incorporation or organization is the state of Delaware.

A. SCOPE OF SERVICES:

A.1. TYPE OF CALLS

A.1.1 Intrastate and Interstate calling.

The TRC shall be established to provide access for the communicatively disabled to the intrastate telecommunications network which is functionally equivalent to that enjoyed by individuals who are not disabled. The communicatively disabled caller had, until the establishment of the Tennessee Relay Center, been restricted to communicating over the telephone network with only those individuals who had specialized equipment such as TDDs, TTYs or personal computers (PC). TRC provides telecommunication access to and from the communicatively disabled without the need for the non-disabled to utilize

To access the TRC, 711 abbreviated dialing in addition to one or more toll-free numbers shall be provided. These toll-free numbers shall be universally available and shall be

TRC in Tennessee shall be designed to only accept calls that originate from or terminate at TDDs, TTYs, PCs, or any other automated equipment used to facilitate telecommunications service for the communicatively disabled. Such calls shall both originate and terminate within the state. The TRC shall be capable of accepting calls placed across a state line which, if the relay center were not utilized, would be subscribing to Tennessee intrastate service should be able to call or be called by any Individuals with communication disabilities business or residence that has standard telephone service in Tennessee.

The intrastate relay system will not be required by this RFP to provide interstate calling. However, the intrastate TRC must be capable of accommodating any interstate TRC that may be authorized or funded through the federal jurisdiction. If the selected Contractor elects to provide interstate relay calls, these calls must be accounted for separately from intrastate calls and shall not be billed pursuant to any contract issued as a result of

A.1.2 Voice and Hearing Carry-Over.

The TRC must accept calls from a voice-capable caller who is hearing-disabled and permit this caller to speak his or her own message directly to a call recipient who is hearing capable without such transmission being processed by the relay Communications Assistant (CA). Similarly, the TRC must accept calls from a hearing capable caller who is speech-disabled and permit this caller to receive the transmission directly from the other party without any intervention from the CA. These services are known as voice carryover (VCO) and hearing carryover (HCO), respectively.

A.1.3 Speech-to-Speech Relay.

The TRC shall provide speech-to-speech (STS) relay services for those callers who are speech-disabled. STS calls must be handled by a relay CA who has been specially trained to understand the speech patterns of callers with speech disabilities and can communicate the caller's message.

A.1.4 Spanish and Other Non-English Relay.

The TRC shall provide intrastate and interstate Spanish Relay Services. The TRC shall also provide other non-English relay services as directed by the TRA or based on changes in the State's demographics which warrants the availability of such service.

A.1.5 <u>Directory Assistance Calls.</u>

The TRC will provide directory assistance without charge, unless otherwise ordered by the TRA.

A.1.6 Emergency Calls.

The TRC shall accept emergency calls and shall be capable of switching such calls to local emergency numbers although this service will not be recommended or promoted as a replacement of the dialing of local emergency numbers (E-911) which are equipped to handle TDD calls. Relay center callers should be discouraged from utilizing the Tennessee relay system as an emergency response service.

The TRC, when handling incoming calls made to E-911, must have a system that would automatically and immediately transfer the caller to the nearest Public Safety Answering Point (PSAP). If the caller disconnects before being connected to E-911 services, the CA handling the call must orally provide the telephone number of the caller to E-911 officials.

A.2 Access to Relay Center.

Access to the TRC, through the abbreviated dialing of 711 shall be provided. In addition to the provision of 711, one or more toll-free numbers shall be provided. 711 abbreviated dialing shall not replace emergency 911. The toll-free numbers shall be universally available and shall be uniform throughout the state.

While the Contractor is not restricted to utilizing only one toll-free number for the relay center, the State urges the Contractor to propose as few numbers as possible for access to the center to eliminate confusion and to promote easy and frequent utilization of the center.

A.3 Relay Call Limitations.

The TRC must be capable of handling any call normally provided by common carriers. Only those calls that are incapable of relay due to lack of existing technology are exempt for handling by the TRC. However, where possible, the Contractor must establish a future handling date to provide relay for such calls when technology becomes available. Contractors in their proposals shall identify those calls, in particular, types of calls that are incapable of relay due to lack of existing technology. Only calls that are incapable of relay due to lack of existing technology may be so identified. Any submitted proposal shall explain the infallibility of handling these calls and shall, where possible, establish a future handling date. The State is committed to achieving full compliance with FCC requirements for all types of calls to be relayed and Contractors are required to adhere to these standards.

A.4 Special Calling Service.

The TRC shall provided its users with conference and three-way calling and other custom calling features as they become available in this state and to the extent technically feasible. Charges assessed to such TRC users shall not exceed the charges assessed by the dominant exchange company serving the exchange from which the call is being placed. Additionally, charges for ancillary services not traditionally provided by the local exchange company, must not exceed the rates assessed to those persons without communication disabilities.

A.5 TRC Technical Service Standards.

- A.5.1 The TRC shall provide relay service for all exchanges 24 hours a day, every day, including holidays.
- A.5.2 There shall be not restrictions on duration or number of calls placed by callers through the relay center.
- A.5.3 The TRC shall be able to accept calls from all FCC type approved customer premise equipment (CPE) which uses either ASCII or BAUDOT formats.
- A.5.4 Transmission circuits shall meet or exceed interexchange performance standards for circuit loss and noise.
- A.5.5 The TRC shall have a sufficient number of CAs, circuit trunks and other facilities to achieve the standards of service required by this RFP.
- A.5.6 The TRC shall comply with all State rules and regulations pertaining to operator services, particularly the provisions of 1220-4-2.23, .24, .25, .26, .27, .28, .29(1) (2) (3), .30, .31, .33, .36, .39 and .41. (See Attachment B).
- A.5.7 The TRC must provide access to each user's interexchange carrier (IXC) of choice, and to all other operator service, to the same extent that such access is provided to voice users.
- A.5.8 The TRC must answer 85% of all calls within ten (10) seconds by any method to prevent the caller's call from being placed in a sequence "to be answered in the order received" or on-hold. The ten (10) seconds timing begins when the call reaches the network of the TRC.

- A.5.9 The TRC shall make available to CAs the use of a "hot key" to be used to alert the TRC user of the presence of a recorded or interactive message for the number called. The TRC shall be capable of allowing the CA to record interactive or recorded messages to be used in order to facilitate the existing call, for the length of the call only.
- A.5.10 The TRC shall be able to accommodate calls to pay-per-call services.
- A.5.11 To ensure service reliability, the TRC shall be equipped with a back-up service and power capability in accordance with the State rule mentioned above, including un-interruptible power sources for emergency use. In addition, the TRC shall have an emergency place of action for service disruption, (e.g., extraordinary weather occurrences or disasters, etc.).
- A.6 Turbo Code
- A.6.1 The TRC shall provide Turbo Code.
- A.7 TRC Operational Standards.
- A.7.1 The TRC shall employ a sufficient number of supervisory personnel to oversee CAs and to maintain required service levels. Such supervisors shall meet the same qualifications and have the same training as the CAs they supervise.
- A.7.2 CAs shall be subject to personality profiling and screening for suitability for the demands of relay work.
- A.7.3 CAs shall be trained in all aspects of hearing and speech disabilities, cultures and language including, but not limited to, American Sign Language (ASL), Standard English Translation, cued speech, finger spelling, manual English, speech-reading and speech-amplification as well as trained to be sensitive to the special needs of the communicatively disabled.
- A.7.4 CAs shall be capable of typing a minimum of 60 words per minute and be literate in grammar and spelling.
- A.7.5 CAs shall be tested to determine that the requisite proficiency and suitability have been achieved. Documentation of this testing shall be retained by the Contractor, and may be subject to audit.
- A.7.6 CAs shall be subject to ongoing training with respect to hearing impaired culture, language and needs sensitively.
- A.7.7 CAs shall adhere to the following standards:
- A.7.7.1 CAs shall not intervene or interject personal comments, judgements, or additional information when relaying calls.
- A.7.7.2 CAs shall be as transparent as possible to the users of the TRC. They shall avoid use of the third person and shall not intentionally alter the content of the relay calls.
- A.7.7.3 CAs shall adhere to the Code of Ethics for Interpreters of the Deaf.
- A.7.7.4 CAs shall only leave messages with third parties when instructed to do so by the calling party.

- A.7.7.5 CAs shall relay all calls regardless of the obscene or illegal nature of the call.
- A.7.7.6 CAs shall not discuss the contents of relayed calls, any caller identifying factors, calling points, or other information about relayed calls other than what is necessary to train other CAs. Such training shall never refer to specific individuals, places, or content that would disclose to a trainee, or other person confidential information.
- A.7.7.7 All communications made by or to a person with a communications disability is a privileged communication and is not subject to disclosure in any court proceeding or otherwise pursuant to T.C.A. § 24-10210.
- A.7.7.8 CAs shall disconnect promptly at the end of each call to avoid additional charges. Where a caller or called party refuses disconnection and/or is abusive or uncooperative, the TRC supervisor may intervene to handle the call.
- A.7.7.7 CAs may deny completion of relay calls where credit authorization is denied or where a caller is extremely, abusive, harassing, and uncooperative with the CAs. The CA shall document such incidents with intervention, where necessary, by the supervisor.
- A.7.7.10 CAs shall provide, when requested by the TRC user and where possible, CA genders at the beginning of the call and, at the time during the call when a transfer of CA is necessary.
- A.7.7.11 CAs shall relay a call verbatim unless the relay user requests summarization or interpretation of an ASL call.
- A.7.7.12 CAs answering and placing a TTY based relay call must stay with the call for a minimum of ten (10) minutes before being replaced by another CA. CAs answering and placing an STS call must stay with the call for a minimum of fifteen (15) minutes, before being replaced by another CA for the same call.

A.8 Customer Profile.

The TRC shall provide to STS users the option to maintain a customer profile list that includes the name and telephone numbers of frequently called individuals to be used to complete relay calls. Such information shall not be deemed customer proprietary network information under Section 222 of the Communications Act and shall be transferred to the new Contractor from the previous Contractor if a change of Contractor occurs at the end of a contract period or any time during an existing contract.

A.9 Call Rating and Billing Requirements.

- A.9.1 The calling or called parties using the TRC shall not be charged for calls originating and terminating within the same toll-free local calling area despite the fact that these calls may be routed through a relay center located outside the toll-free area.
- A.9.2 The TRC shall not impose a charge for additional calls that must be made by the relay user to complete a call related to a recorded or interactive message.
- A.9.3 All toll calls placed through the TRC shall be rated to the users of the service at the hearing-impaired discount rate applied by the State. These calls shall be rated as if the calls were placed between the originating and terminating call points instead of routed through the relay center. The timing of the call for billing purposes shall begin

immediately upon pick-up at the called number. If a caller requests a person-to-person toll call, the timing begins only after the requested person has answered the call.

- A.9.4 Calls to 900, 976, or 900-like services or other pay-per-call services shall not be subject to the hearing impaired discount and the caller should be advised accordingly.
- A.9.5 Provider compensation billing submitted shall be based on the following assumptions. Any call which is answered by a live relay CA may count as one call for the provider compensation purpose regardless of whether the call is completed to the called party. Duration, for purposes of call measuring for provider compensation purposed, shall be from the time a live CA begins to relay a call including giving instructions on how to utilize the service until the call is terminated by the calling or called party, whichever comes first. The duration of all calls involving incomplete calls must be included in the bidder's calculations in determining average call duration. Calls shall be billed to the contractor on a per minute basis measured by the duration of the call.
- A.9.6 TRC shall include a method of providing sufficient billing and collection of information to allow calls to be billed accurately. The system must be capable of providing at a minimum, automatic number identification (ANI), the called number, the billing start and end time, and type of call, i.e., person-to-person, etc. The bidder shall not do any customer billing. Information local calls are to be retained by the bidder for service monitoring, auditing and contractor reporting purposes.
- A.9.7 The TRC shall forward a record of each billable call to the designated billing agent, i.e., LEC, IXC, etc. within 30 days of the date such service was supplied. The record must contain the telephone number or credit card number for all end user billable calls, i.e., local or toll; originating and terminating numbers; date of the call; start and end time of the call type (person to person), collect, etc; and preferred IXC for interlata calls.
- A.10 Federal Communication Commission (FCC) Compliant.
- A.10.1 Not limited to these rules in this Contract, the TRC must meet or exceed the FCC's mandatory minimum operational, technical and functional standards necessary to maintain state certification as indicated in CC Docket Number 98-67 et. seq., and amended docket.

A.11 Facility Requirement.

The primary relay center facility shall be located in Tennessee. There may be one or more center locations so long as service quality levels are maintained uniformly throughout the state. The center shall have adequate equipment, furniture and facilities, either owned or leased, to provide TRC for all possible center call volumes. If the TRC is located in a facility offering other services, the relay service shall be isolated appropriately to assure confidentiality standards are upheld. The relay center must be ready for operation by or before September 25, 2001. Off-peak or holiday center traffic as well as some specialized services such as Speech to Speech and other non-English relay services, may be handled at an out-of state center to cut down on the cost of the contractor. However, peak service shall be handled through the Tennessee center.

A.12 <u>Auditing Requirements</u>

A.12.1 The Contractor shall report monthly to the State on the service of the relay center. Such report shall include the following: total number of calls relayed in that month, show a breakdown of the number of calls initiated by non-impaired (voice) and hearing impaired parties handled through the TRC, the average duration of the call, the average speed of

answer time, the daily average number of calls in queue, the blockage rate, the average length of time a call is in queue to be answered, and a summary of all relay complaints registered during that month.

A.12.2 The Contractor shall report annually to the State and/or fund administrator on the operations and traffic patterns of center. On the first day of October in each year after the contract is awarded, the Contractor shall submit its annual report to the State which shall include a summary of all charges to date submitted to the contractor for payment, the monthly call volume for that year for intrastate and interstate calls, the average call duration in each month, and the average monthly cost per call or minute. As a part of the report, the Contractor shall submit the number of personnel stationed in Tennessee and serving the center at that time.

A.13 Outreach and Consumer Related Activities.

- A.13.1 The TRC Contractor shall work with the local exchange carriers of Tennessee to ensure that the LECs publish in their directories, provide periodically informational billing inserts, place instructions in their telephone directory of how to use the TRC, include the listing of TTY numbers toll-free numbers and instructions on 711 access in the directory and provide relay information thorough its directory assistance services.
- A.13.2 The Contractor shall engage in outreach activities, promotional campaigns and other means of educating the public as to the benefits of TRC. The Contractor shall with the approval of the TRA and other appropriate officials, develop promotional materials, brochures and educational tools to explain TRC.

B. <u>TERM:</u>

B.1. Contract Term. This Contract shall be effective for the period commencing on September 25, 2001 and ending on September 24, 2006.

C. PAYMENT TERMS AND CONDITIONS:

There shall be no cost to the State for the performance of services under this contract as described in Section A. of this contract. The Contractor shall be compensated for providing the TRC under the terms and conditions established in this contract and at the rates detailed in Attachment A hereto. The TRA, or its designee, reserves the right to audit any and all financial and operational aspects of the TRC during the course of the contract.

The Contractor shall submit monthly invoices for the actual number of intrastate minutes processed through the TRC to the "Fund Administrator" designated by the TRA. Said invoices shall be submitted, in form and substance acceptable to the State and the Fund Administrator with all necessary supporting documentation, prior to any payment.

Such payments from the "Fund Administrator" shall constitute the entire compensation due the Contractor for service rendered pursuant to this Contract and all of the Contractor's obligation hereunder regardless of the difficulty, materials, hours worked, or materials or equipment required. The Unit Rates, detailed in Attachment A of this

contract, include, but are not limited to, all applicable taxes, fees, overhead, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor. The Unit Rates, detailed in Attachment A of this contract, are firm for the duration of the contract and are not subject to increase for any reason unless amended.

D. <u>STANDARD TERMS AND CONDITIONS</u>:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. <u>Modification and Amendment</u>. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. <u>Termination for Convenience</u>. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least ninety (90) days written notice before the effective termination date. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. <u>Termination for Cause</u>. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination." (sections D.6 and D.7).
 - Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. <u>Conflicts of Interest</u>. The Contractor warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. <u>Nondiscrimination</u>. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation of services rendered under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed under this Contract, shall be maintained for a period of three (3) full years from the final date of this Contract and shall be subject to audit, at any reasonable time and upon reasonable notice, by the State, the Comptroller of the Treasury, or their duly appointed representatives.

- D.9. <u>Monitoring</u>. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.11. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create a employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.12. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.13. <u>State and Federal Compliance</u>. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.14. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.
- D.15. <u>Completeness</u>. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.16. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.17. <u>Headings</u>. Section headings are for reference purposes only and shall not be construed as part of this Contract.

E. <u>SPECIAL TERMS AND CONDITIONS:</u>

E.1. <u>Conflicting Terms and Conditions</u>. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Vivian Michael-Wilhoite
Tennessee Regulatory
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
800-342-8359, extension 157 (Office) 615-741-8953 (Fax Number)

The Contractor:

George Houck MCI Worldcom Global Relay 489 Whitney Avenue, Suite 100 Holyoke, MA 01040 413-493-1152 (Office) 413-493-1190 (Fax Number)

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

E.3. Performance Bond. Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount equal to two hundred thousand dollars (\$200,000), guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

In lieu of a performance bond, an irrevocable letter of credit may be substituted as a surety deposit. The substitution of a performance bond with a surety deposit, as well as the form and substance of such a surety deposit, must be approved by the State prior to its submittal and may be rejected by the State at its sole discretion.

- E.4 <u>Incorporation of Additional Documents</u>. Included in this Contract by reference are the following documents:
 - I) The Contract document and its attachments
 - II) All Clarifications and addenda made to the Contractor's Proposal
 - III) The Request for Proposal and its associated amendments
 - IV) Technical Specifications provided to the Contractor
 - V) The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

E.5. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The

Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

- E.6. Year 2000 Hold Harmless. As required by Tennessee Code Annotated, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.7. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by **Tennessee Code Annotated**, Section 8-6-106.

MCI WORLDCOM COMMUNICATIONS, INC.: [NAME AND THLE] Victoria Tennessee Regulatory Authority: 6/27/01 Date 6/27/01 Date 6/39/01 Date Malone J. Ma APPROVE DEPARTMENT OF FINANCE AND ADMINISTRATION: 7-18-01 Date COMPTROLLER OF THE TREASURY: John G. Morgan, Comptroller of the Treasury

IN WITNESS WHEREOF:

REGULATIONS FOR TELEPHONE COMPANIES

1220-4-2-.20 GROUNDED CIRCUITS.

(1) On and after the effective date of those rules, no additional telephone lines shall be constructed as single wire with ground return. All existing grounded telephone lines shall be converted to nongrounded circuits.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.21 SELECTIVE RINGING.

Each telephone utility shall have as an ultimate objective the provision of full selective ringing.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.22 SWITCHING SERVICE.

- (1) Effective with the adoption(in of these rules, telephone utilities shall not provide additional switching service to lines which do not meet the technical criteria of these rules. Also, effective with the adoption of these rules, each telephone utility shall eliminate nonconforming switching service according to the following provisions:
 - (a) Upon conversion to dial service or any other plan approved by the Commission.
 - (b) All other shall be changed to company-owned stations within a period of five years.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.23 EMERGENCY OPERATION.

- (1) Each telephone utility shall make reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators, or from fire, storm or acts of God, and each telephone utility shall inform employees as to procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of telephone service.
- (2) It is essential that, all central offices have adequate provision for emergency power. In offices without installed emergency power facilities, there shall be a mobile power unit available which can be delivered on short notice, and which can be readily connected.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.24 CONSTRUCTION WORK NEAR UTILITY FACILITIES.

Even though all contractors working in the vicinity of utility, lines or structures are responsible for exercising due diligence in preventing damage to utility property or interruption to utility services, telephone utilities shall, when requested, furnish to contractors appropriate information concerning location of underground conduit, cable, etc., in order to prevent any interruption of service to telephone customers. Nothing in this rule is intended to affect the responsibility, liability, or legal rights of any party under applicable laws or statutes.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

Contract the Contract

1220-4-2-.25 PROVISIONS FOR TESTING.

Each telephone utility shall provide or have access to test facilities which will enable it to determine the operating and transmission capabilities of circuit and switching equipment, either for routine maintenance or for fault location.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-26 METER AND RECORDING EQUIPMENT TEST FACILITIES.

(1) Each utility furnishing telephone service, where local exchange billing is based on the number and/or duration of messages shall provide the necessary facilities, instruments, and equipment for testing its metering or recording equipment. Any utility may be exempted from this requirement by the Commission.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-27 ACCURACY REQUIREMENTS.

- (1) All meters and/or recording devices used to record data and prepare customer's bills shall be in good mechanical and electrical condition, shall be accurately read and shall not involve approximations. All meters and/or recording devices shall accurately perform the following:
 - (a) For message rate service, where timing of length of message is not involved, the meter and/or recording device shall show accurately the number of completed messages sent by the station which it is measuring.
 - (b) For message toll service, the meter and/or recording device shall show accurately the number or calls and the time involved in each call and the station making such call.
 - (c) Where the recording equipment provides coded information that is used to automatically prepare customer bills, accurate interpretation of such coded information is required.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.28 ADEQUACY OF SERVICE.

 Each utility shall employ engineering and administrative procedures to determine the adequacy of service being provided to the customer.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-.29 BASIC UTILITY OBLIGATIONS.

- (1) Each telephone utility shall provide telephone service to the public in its service area. Such service shall meet or exceed the standards set forth in Chapter 1220-2. Regulations for Telephone Companies.
- (2) Each telephone utility has the obligation of continually reviewing its operations to assure the furnishing of adequate service.
- (3) Where a telephone utility is generally operated in conjunction with any other enterprise, suitable records shall be maintained so that the results of the telephone operation may be determined upon reasonable notice and request by the Commission.

(Rule 1220-4-2-.29, continued)

- (4) Business office shall be so located and staffed that customers and the public will have convenient access to qualified personnel, including supervisory personnel where warranted, to answer questions relating to services and rates, accept and process applications for service, explain charges on customers' bills, adjust charges made in error and in general, represent the utility to the customer.
 - (a) Where one business office serves several communities toll-free calling to the business office from such communities shall be provided. By means of directory information or assistance, signs on company buildings and property, newspaper advertising or other methods necessary, the utility shall keep its customers and the public advised as to means of contacting the business office.
 - (b) Business office services will be available to the customers and the public during the normal hours of the normal work week, excluding holidays and at such other times as may be warranted by circumstances.
 - (c) It will be the responsibility of the utility to insure that qualified personnel, instructed to be courteous, considerate and efficient, are available to promptly serve those who contact the business office.
 - (d) The utility shall inform the customer of any service connection charge to be applied to his bill and the monthly charge for the service ordered, with the exception of business customers not requiring this in formation, prior to undertaking any action to furnish the service ordered. To customers inquiring about new service, the utility shall provide any information and assistance necessary to obtain service conforming to the customer's needs.

Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9,1974. Amendment filed August 18, 1982; effective September 17, 1982.

1220-4-2-30 TRAFFIC RULES.

- (1) Suitable practices shall be adopted by each telephone utility concerning the operating methods to be employed by operators with the objective of providing efficient and pleasing service to the customers.
- (2) Telephone operators shall be instructed to be courteous, considerate and efficient in the handling of all calls, and to comply with the provisions of the Communications Act of 1934 in maintaining the secrecy of communications.
- (3) All operator-handled calls shall be care Fully supervised and disconnects made promptly.
- (4) When an operator is notified by a customer that he has reached a wrong number on a direct dialed call. the customer shall be given credit on his bill when the Claim has been substantiated.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-31 TRANSMISSION REQUIREMENTS.

(1) Telephone utilities shall furnish and maintain adequate plant, equipment and facilities to provide satisfactory transmission of communications between customers in their service area.

Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982.

1220-4-2-32 PUBLIC TELEPHONE SERVICE.

(1) The utility shall establish public telephone service at locations where the public convenience will be served. The Commission may direct installation of a public telephone where it is needed.

Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1982. Amendment filed August 18,1982; effective September 17, 1982.

1220-4-2-33 INTERRUPTIONS OF-SERVICE.

- (1) Interruptions occur, the utility shall re-establish service' with the shortest possible delay.
- (2) Arrangements shall be made to receive customer trouble reports 24 hours daily and to clear trouble of an emergency nature at all hours, consistent with the bona fide needs of the customer and personal safety of utility personnel.
- (3) Each telephone utility shall maintain an accurate record of trouble reports made by its customers. This record shall include appropriate identification of the customer or service affected, the time, date and nature of the report, the action taken to clear trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition. This record shall be available to the Commission or its authorized representatives upon request at any time within the period prescribed for retention of such records.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-34 SERVICE OBJECTIVES AND SURVEILLANCE LEVELS.

- (1) Certain measurements have been shown to be most important in determination of quality of telephone service. The results of these measurements ma'(vary, however, depending oil the size of the service area being measured, geography and demography of the service area, types of equipment operated by the telephone utility, season of the year (weather) and number of days in the month being measure. For these reasons, no single statistical standard can serve as a strict demarcation level between "good" and "poor" service for every company in Tennessee.
- (2) Accordingly, the Commission has established herein a set of criteria which is generally recognized as being on the one hand, measures of reasonable and economically attainable service, and on the other hand, levels of service which indicate a need for scrutiny of service and corrective action.
- (3) Each utility shall make measurements to determine the level of service for each item included in these rules to the extent feasible. In central offices of such size that recording equipment is not presently, or normally. installed for the purpose of measuring accurately such functions as dial tone speed and central office overflows, this rule does not mandate the installation of such measuring equipment. Each utility shall, however, make the necessary physical checks and observations in such offices to assure that levels of service on any of the items included herein are being maintained.
- (4) These rules require scheduled formal reports on a quarterly' basis. In addition where continuing service problems are indicated by failure to meet surveillance levels and/or complaints in individual exchange areas, the Commission may require reports of investigation and corrective action be taken. If unreasonable hardship to a utility or to a customer results from the application of any rule herein prescribed, application may be made to the Commission for the modification of the rule or for temporary or permanent exemption from its requirements. The adoption of these rules by the Commission shall in no way preclude it from altering or amending them pursuant to applicable statutory procedures, nor shall the adoption of these rules preclude the Commission from granting temporary exemptions from its regulations in exceptional cases.

(Rule 1220-4-2-.34, continued)

Authority: T.C.A. §§65-202, 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1982. Amendment filed August 18, 1982; Effective September 17, 1982.

1220-4-2-35 INSTALLATION OF SERVICE

- (1) (a) In any area where facilities are available, 85% of the utility's regular service order installations shall normally be completed within five (5) working days in exchanges of more than 3000 access lines. The intervals commence with the receipt of application unless a later date is requested by the applicant.
 - (b) In any area where facilities are available, 75% of the utility's regular service order installations shall normally be completed within five (5) working days in exchanges of less than 3000 access lines.
 - (c) Surveillance Level In any reporting entity of less than 3000 access lines, completion of less than 75% within five (5) working days on a continuing basis indicates a need for investigative or corrective action.
 - (d) Surveillance Level In any reporting entity of less than 3000 access lines, completion of less than 65% within five (5) working days on a continuing basis indicates a need for investigative or corrective action.
- (2) Ninety percent of the utility's commitments to customers in a Reporting Entity as to the date of installation of regular service orders shall be met excepting customer caused delays and acts of God.
 - (a) Surveillance Level-A continued rate or less than 88% indicates a need for investigative or corrective action.
- (3) A regrade order shall normally be filled no later than 30 days where facilities are available after the customer has made application for a different grade of service except where the customer requests a later date. In the event of the utility's inability to so fill such an order, the customer will be advised and furnished the estimated date when it will be available.
- (4) If the Commission finds an applicant and/or area should be served, viewing all the surrounding circumstances, it may direct that the company serve that area.

Authority: T.C.A. §§65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982. Amendment filed March 31, 1987; effective June 29, 1987.

1220-4-2-36 OPERATOR HANDLED CALLS.

- (1) All operator-handled calls shall be carefully supervised. Calls requiring timing shall be carefully timed. ,
- (2) Each utility shall maintain adequate personnel to provide an average operator answering performance as follows on a monthly basis:
 - (a) Ninety percent of toll and assistance operator calls answered within ten seconds (equivalent measurements may be used).

(Rule 1220-4-2-.36, continued)

- Surveillance level Answering time of less than 87% of calls within ten seconds (or equivalent measurement) on a continuing basis indicates a need for investigative or corrective action.
- (b) Eighty-five percent of calls to Directory Assistance answered within ten seconds (equivalent measurement may be used).
- (c) Surveillance Level-Answering time within ten seconds (equivalent measurement may be used) on less than 78% of calls to Directory Assistance on a continuing basis indicates a need for investigative or corrective action.
- (3) An "answer" shall mean that the operator is ready to render assistance and/or ready to accept information necessary to process the call. An acknowledgment that the customer is waiting on the line shall not constitute an answer

Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.

1220-4-2-37 LOCAL DIAL SERVICE.

- (1) Sufficient central office capacity and equipment shall be provided to meet the following requirements during the average busy season, busy hour.
 - (a) Dial tone within three seconds on 98.0% of calls.
 - 1. Surveillance Level-Dial tone within three seconds on less than 97.4% of calls on a continuing basis indicates a need for investigative or corrective action.
 - (b) Completion of 97% of local dialed calls without encountering an equipment busy condition(blockage).
 - 1. Surveillance Level When the comp]completion rate falls below 92% on a continuing basis investigative or corrective action should be initiated.

Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.

1220-4-2-38 DIRECT DISTANCE DIAL SERVICE.

- (1) Engineering and maintenance of the trunk and related switching components in the internal network shall be such as to permit attaining the following objective on properly dialed calls, during the average busy season, without encountering blockages or equipment irregularities.
- (2) DDD Calls by customer (incoming trunks) -98%.
- (3) Surveillance Level-96%.

Authority: T.C.A. §65-2-102. Administrative History: Original rule filed February 2, 1976; effective March 3, 1976.

1220-4-2-39 CUSTOMER TROUBLE REPORTS

- (1) Service shall be maintained in such a manner that the monthly rate of all customer trouble responses not exceed the following objective levels by reporting entity:
 - (a) Exchanges have 14.000 or more access lines 6.0 per 100 access lines.
 - (b) Exchanges having 3,000 to 14.000 access lines 6.5 per 100 access lines.
 - (c) Exchanges having less than 3,001) access lines 9.5 per 100 access lines.
- (2) Surveillance Level A customer 'trouble rate exceeding the monthly level shown below for three consecutive months in a reporting entity indicates a need for investigation or corrective action:
 - (a) Exchanges having 14,000 or more access lines 7.0 per 100 access lines.
 - (b) Exchanges having 3,000 to 14,000 access lines 7.5 per 100 access lines.
 - (c) Exchanges having less than 3,000 access lines 11.0 per 100 access lines.

Authority: T.C.A. §§ 65-2-102, 65-4-104, and 65-4-106. Administrative History: Original rule certified May 9, 1974. Amendment filed August 18, 1982; effective September 17, 1982. Amendment filed March 31, 1987; effective June 29, 1987..

1220-4-2-.40 REPEALED.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974. Repealed by Public Chapter 440; effective July 1, 1985.

1220-4-2-.41 SAFETY PROGRAM.

- (1) Each utility shall adopt and execute a safety program. fitted to the size and type of its operations. As a minimum, the safety program should:
 - (a) Require employees to use suitable tools and equipment in order that they may perform their: work in a safe manner.
 - (b) Instruct employees in safe methods of performing their work.
 - (c) Instruct employees whom, in the course of their work are subject to the hazard of electrical shock, asphyxiation or drowning, in acceptable methods of first aid.

Authority: T.C.A. §65-2-102. Administrative History: Original rule certified May 9, 1974.

1220-4-2-42 MEASURED AND MESSAGE TELEPHONE SERVICE.

- (1) The marketing representative or other salesperson of every telephone company must explain the availability of all local exchange service options for residential service to each customer who requests new local, residential service or a change in the customer's existing local, residential service.
- (2) All advertising, promotional and informational materials regarding discounted or low use rates for one-party, local exchange service must contain an explanation of all available rates for discounted one-party, local service.

Exhibit B

Affidavit of Jose S. David

AFFIDAVIT

State of Washington King County

BEFORE ME, the undersigned Notary,

Jawney	a. Roller	, on this	21 sit	day of June,	2005
	ared Jose S. David, known				
being by me first	t duly sworn, on his oath, de	eposes and says:			

- 1. I, Jose S. David, am the Chief Financial Officer of vCustomer Corporation ("vCustomer" or the "Company").
- 2. vCustomer provides this Affidavit in support of the Joint Petition for Expedited Approval of the assignment of the contract to provide relay services and to operate the Tennessee Relay Center and transfer of the Tennessee Telerelay Call Center, directory assistance, operator services, and other related assets to vCustomer, submitted by MCI WorldCom Communications, Inc. and vCustomer.
- 3. On April 15, 2005, vCustomer and MCI, Inc. ("MCI") entered into an Asset Purchase Agreement ("Agreement") whereby MCI agreed to sell, and vCustomer agreed to purchase, certain assets of MCI related to the telerelay service business of MCI's subsidiary MCI WorldCom Communications, Inc., and other assets. In Tennessee, the telerelay service assets include the Contract between the State of Tennessee, Tennessee Regulatory Authority and MCI WorldCom Communications, Inc. (the "TRS Contract"), and the Telerelay Call Center located at 1725 N. Shelby Oaks Drive, Memphis, Tennessee.
- 4. The closing of the transaction is scheduled to occur following the receipt of all required approvals and the satisfaction of certain conditions. Following the closing, Tennessee consumers will continue to have access to and be able to obtain telerelay services from vCustomer.
- 5. Under the terms of the Agreement, MCI WorldCom Communications, Inc. employees who are actively employed in the relay services business on the closing date who become employees of vCustomer will be offered similar employment and benefits as currently offered by MCI WorldCom Communications, Inc. Attached hereto as **Exhibit A** are charts showing the organization that currently supports the TRS Contract and that will continue in place following the closing of the transaction. Because the institutional expertise and equipment of MCI's telerelay service business will be transferred to vCustomer, vCustomer anticipates that the transaction will not impact customers. vCustomer will perform all obligations of the Contractor

under the TRS Contract, including the "Conflicts of Interest" and "Nondiscrimination" provisions found in Sections D.6 and D.7 of the TRS Contract. Attached hereto as Exhibit B are vCustomer's responses to relevant portions of the Request for Proposal to which MCI WorldCom Communications, Inc. has previously responded.

- vCustomer is a leading U.S.-based global provider of business process outsourcing, contact center and technology support services to U.S. state and federal agencies and Fortune 1000 and other companies. The Company was founded in 1999 by its President and CEO, Saniay Kumar.
- 7. vCustomer is a privately held Washington corporation with headquarters in Kirkland, Washington, vCustomer holds a Certificate of Good Standing in Washington, and a Certificate of Authorization from the Secretary of State of Tennessee (attached hereto as Exhibit C). Concurrently herewith, vCustomer has filed with the Tennessee Regulatory Authority an application for a Certificate of Public Convenience and Necessity, setting forth vCustomer's technical, financial, and managerial qualifications, which vCustomer incorporates herein by reference. vCustomer includes as Exhibit D hereto a Letter of Bondability and as Exhibit E hereto a copy of its Certificate of Liability Insurance.

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	S. Davi Cirklan				
Kirkla	and, W	A 980.	33		

Subscribed and sworn to before me, this ______ ZI = T day of 20**05**

[Notary Seal:]

Jauney A. Roller

[signature of Notary]

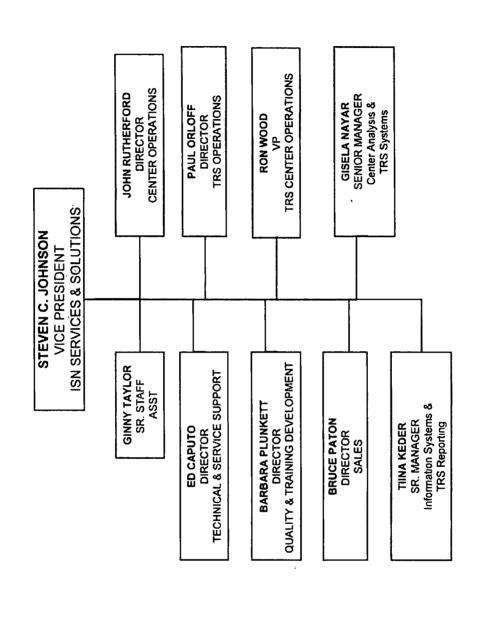
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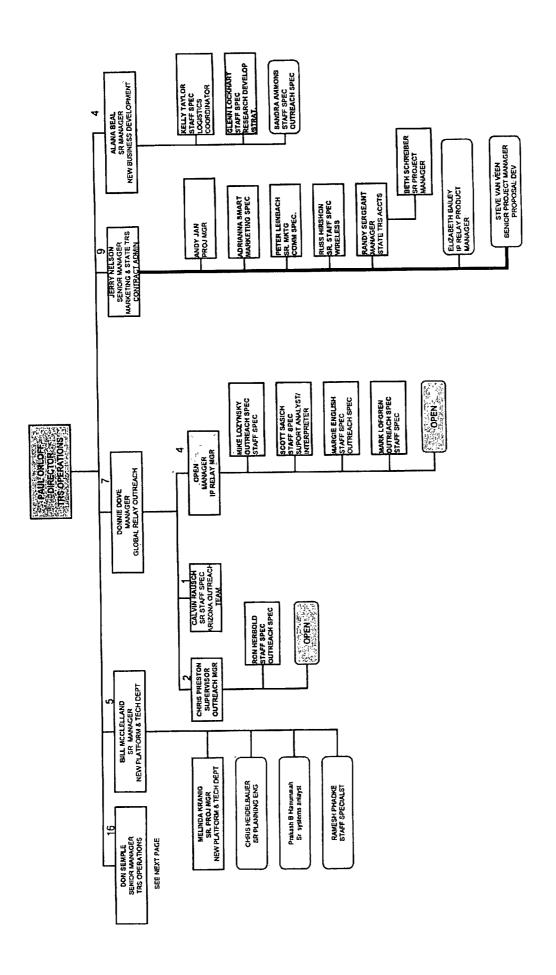
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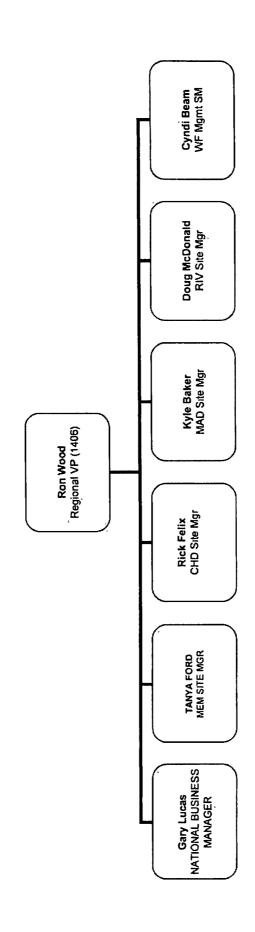
NOTARY PUBLIC

My commission expires: 5-25, 2007.

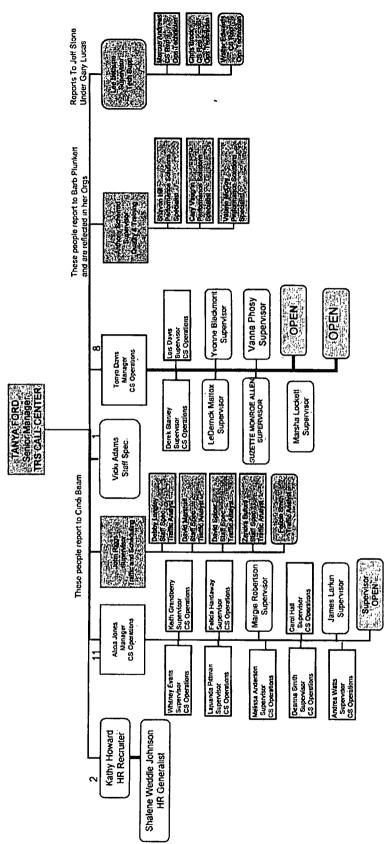
Exhibit A







MEMPHIS CENTER TRS CENTER



Communication Assistants

Exhibit B

- 5.2.2.2: written certification and assurance of the Proposer's compliance with:
 - the laws of the State of Tennessee?
 - Title VI of the federal Civil Rights Act of 1964;
 - the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
 - the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
 - the condition that the submitted proposal was independently arrived at, without collusion under penalty of perjury; and,
 - the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP. (Use Attachment 9.1, Certification of Compliance)

Response: vCustomer provides herewith, as Attachment A, a completed Attachment 9.1 in compliance with the above.

- 5.2.2.3 documentation of financial responsibility and stability; said documentation shall include:
- 5.2.2.3.1 a current written bank reference, in the form of a standard business letter, indicating that the Proposer's business relationship with the financial institution is in positive standing

Response: vCustomer provides herewith as Attachment B a written bank reference as required above.

5.2.2.3.2 two current written, positive credit references, in the form of standard business letters, from vendors with which the Proposer has done business; in lieu of such, documentation of a positive credit rating determined by a accredited credit bureau within the last 6 months]

Response: vCustomer submits herewith as Attachment C documentation of positive credit as required above.

5.2.2.3.3 a copy of a valid certificate of insurance indicating liability insurance in the amount of at least one million dollars (\$1,000,000).

Response: Included with this Joint Application for Expedited Approval, as Exhibit E to the Affidavit of Mr. Jose S. David, is a valid certificate of insurance.

5.2.2.4 written confirmation that the Proposer will provide a performance bond in accordance with the requirements of the RFP.

Response: vCustomer submits herewith as <u>Attachment D</u> a letter of bondability and confirms that it will provide a performance bond in accordance with the requirements of the RFP.

5.2.3 General Proposer Qualifications and Experience.

Technical Proposals shall provide the following information (referencing the subsections in sequence) to evidence the Proposer's experience in delivering services similar to those required by this RFP:

5.2.3.1 a brief, descriptive statement indicating the Proposer's credentials to deliver the services sought under this RFP.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

5.2,3.2 a brief description of the Proposer's background and organizational history.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Therefore, vCustomer adopts that specific portion of MCI's response to this section of the RFP titled "Telecommunications Relay Services."

Additionally, vCustomer provides a brief description of its background and organizational history. vCustomer was incorporated in the state of Washington in November, 1999. A copy of vCustomer's Articles of Incorporation and amendments are provided as Exhibit B to vCustomer's application for a Certificate of Public Convenience and Necessity, submitted concurrently herewith to the TRA. A copy of vCustomer's Certificate of Authority to transact business in the State of Tennessee is provided as Exhibit C to the CPCN application. The names and addresses of vCustomer's officers are set forth in Exhibit B to the CPCN application. vCustomer has no officers in Tennessee. Brief biographies of vCustomer's Directors and Officers are set forth in Exhibit E to the CPCN application. An organization chart of the company is provided in Exhibit A to the CPCN application.

5.2.3.3 years in business.

Response: Since November 1999.

5.2.3.4 à brief statement of how long the Proposer has been performing the services required by this RFP.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

5.2.3.5 location of offices.

Response: vCustomer will provide Tennessee Relay services primarily from the current Tennessee Relay Center located in Memphis, Tennessee: Additional support will be provided from the Riverside, California call center.

5.2.3.6 a description of the Proposer organization's number of employees, longevity, client base,

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. vCustomer currently has approximately 6,000 employees worldwide. The Company currently services 19 U.S. based clients, including U.S. state and federal agencies and Fortune 1000 companies in a variety of industries, including telecommunications, technical help desk, retail and hospitality.

5.2.3.7 whether there have been any mergers, acquisitions, or sales of the Proposer company within the last ten years (if so, an explanation providing relevant details).

Response: No.

5.2.3.8 form of business (i.e., individual, sole proprietor, corporation, non-profit corporation, partnership, joint venture, limited liability company, et cetera).

Response: vCustomer is a corporation, incorporated in the State of Washington.

5.2.3.9 a statement as to whether the Proposer or any of the Proposer's employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled noto contendere to any felony; and if so, an explanation providing relevant details.

Response: Neither vCustomer nor any of its employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled nolo contendere to any felony.

5.2.3.10 a statement as to whether there is any pending litigation against the Proposer; and if such litigation exists, attach an opinion of counsel as to whether the pending litigation will impair the Proposer's performance in a contract under this RFP.

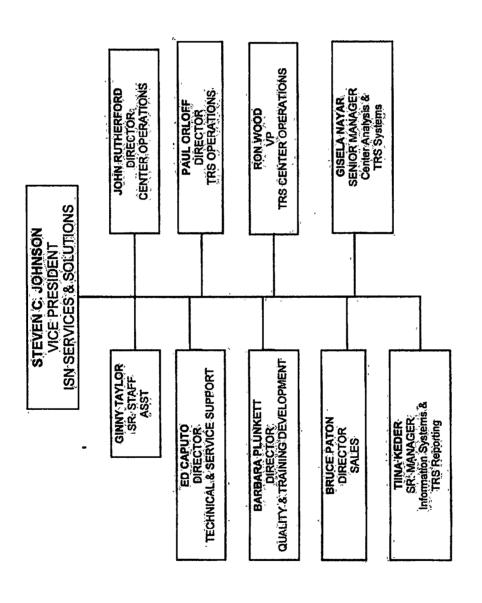
Response: There is no litigation pending against vCustomer that will impair its performance in a contract under the RFP.

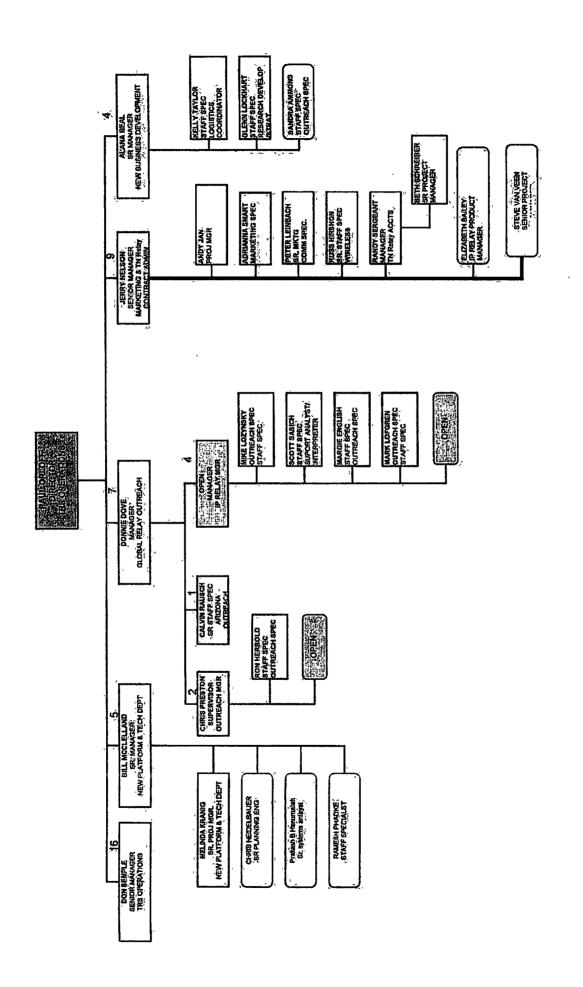
5.2.3.11 a statement as to whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors; and if so, an explanation providing relevant details.

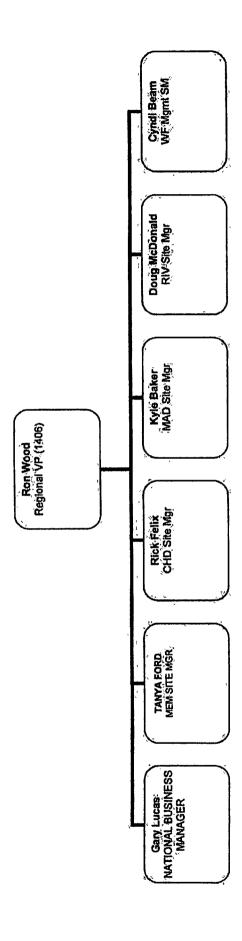
Response: No.

5.2.3.12 an organizational chart highlighting the key people who shall be assigned to accomplish the work required by this RFP it should illustrate the lines of authority and designate the individual responsible for the completion of each service component and deliverable of the RFP.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP.







5:2.3:13 a narrative description of the proposed project team, its members, and organizational structure.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP.

Position	Individual Assigned
Memphis Center Director	Tanya Ford
TRC Program / Outreach and Education Manager	Mike Lozynsky
Operations Manager	Alicia Jones
Traffic and Scheduling Manager	John Riggs
Human Resources Manager	Kathy Howard
Human Résources Spécialist	Team already in place
CA Supervisor	Team already in place
Communications Assistant (CA)	Team already in place
Staff Interpreter	Already in place
Trainer	Anthony Sherrod
Supervisor, Technical Support	Lee Bethune
Technical Support, Trouble Triage	Team already in place

5.2.3.14 a personnel roster and resumes of key people who shall be assigned by the Proposer to perform duties or services under the contract — the roster should include estimated number of hours to be worked on the contract for each person, and the resumes shall detail each individual's title, education, current position with the Proposer, and employment history.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP:

The following individuals have been identified for filling key positions for the Tennessee Relay Center. Resumes of each of these persons are included as Attachment E hereto.

	Individual	Estimated time devoted
Director of Quality and Training	Barbara Plunkett	5% of time
Director of Global Relay	Paul Orloff	5% of time
Account Manager, TN Relay	Randy Sergeant	15% of time
Senior Enhanced Network Solutions Engineer, Global Relay Services	Bill McClelland	5% of time
Senior Manager, Operations	Don Semple	5% of time
Reporting Manager	Mark Logan	10% of time
Memphis Center Director, TRC	Tanya Ford	25% of time
Human Resources Manager	Kathy Howard	50% of time
TRC Program/Outreach and Education Manager	Mike Lozynsky	100% of time
Óperations Manager	Alicia Jones	100% of time
Traffic and Scheduling Manager	John Riggs	50% of time
Staff Interpreter	Already in place	100% of time
CA Supervisor	MCI estimates that 4-5 CA Supervisors will be placed at the TRC	100% of time

5.2.3.15 a list, if any, of all current contractual relationships with the State of Tennessee and all those completed within the previous five year period — the listing should include:

- the contract number;
- the contract term; and
- the procuring state agency for each reference.

Response: vCustomer presently has no contractual agreements with the State of Tennessee.

5.2.3.16 customer references for similar projects representing both three of the larger accounts currently serviced by the vendor and three completed projects — for each reference, include:

- -the company name and business address;
- -the name, title, and telephone number of the company contact knowledgeable about the project work; and
- a brief description of the service provided and the period of service.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business, in Tennessee and in the states of California and Arizona MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP.

Consequently, vCustomer adopts the following updated response to this section of the RFP:

MCI began providing TRS services in 1992 and since that time has worked to improve the quality and level of service for its customers. Listed below is contact information for MCI's current TRS contract, including the States of California, Tennessee and Arizona. Following this information is reference and contact information for other contracts MCI has serviced since 1992.

California Relay Service

MCI began providing California Relay Service in 1996 and currently operates the largest single-state relay service in existence. The California relay service averages over 400,000 outbound calls monthly. MCI is providing basic relay service,



California Relay Service

The power to connect us all.

Speech-to-Speech relay, and Spanish language relay to California Relay Service customers. MCI also provided a six-month Video Relay Service trial for the state. MCI has an in-state Program/Outreach and Education Manager located in California to work closely with the Deaf and Disabled Telecommunication Program and to manage all activities associated with the promotion of the California Relay Service. These activities include, but are not limited to the creation and distribution of various informational brochures, the creation of radio and television public service announcements. MCI consistently meets or exceeds all service levels required by state contract.

arskappenes :	
Contact(David Weiss
	CRS Department Manager
	Deaf and Disabled Telecommunications Program under
	the California Public Utilities Commission
Address	505 14th Street
	Suite 400
	Oakland, CA, 94612
Telephone Number	510-302-1100 Voice
	510-302-1114 TTY
Fax Number	.510-302-1130 Fax
Scope of Services	335,000 monthly call volume
	Basic Relay Service
	First Video Relay Service Trial
	Spanish Relay Services
	Contract Term: Three-year term beginning in October
	1996. The confract is currently extended through January, 2004.

Tennessee Relay Service



MCI was awarded the Tennessee Relay Service contract in June 2001, and began service on September 25, 2001, meeting the contractual transition date. This contract is served from a Tennessee center during

peak hours, and non-peak call traffic (defined as weekday evenings, weekends and holidays). Spanish and STS call traffic is handled in MCI's Riverbank, California call center.. MCI provides basic relay service, Speech-to-Speech relay, and Spanish language relay to the Tennessee Relay Service customers. MCI has an in-state Program/Outreach and Education Manager located in Tennessee to work closely with the Tennessee Regulatory Authority and to manage all activities associated with the promotion of the Tennessee Relay Service. These activities include, but are not limited to the creation and distribution of various informational brochures, the creation of radio and television public service announcements, participation in activities, committees, and organizations that serve the hearing and speech-disabled community of Tennessee, and coordination of activities during Deaf-Awareness Week. MCI consistently meets or exceeds all service levels required by state contract.

TESand Sale Majaray Keralangan	Selement of the selection of the selecti
Contact:	Ms. Vivian Michael-Wilhoite Manager, Consumer Outreach Consumer Services Division Tennessee Regulatory Authority
Address	460 James Robertson Parkway Nashville, TN 37243-0505
Telephone Number	800-342-8359 extension 157 615-741-3939
Fax Number	615-741-8953
Scope:of Services.	78,000 monthly call volume Basic Relay Service Speech-to-Speech Service Spanish Relay services Contract Term: Five-year term beginning in September 2001.
Notes	Ms. Michael-Wilhoite serves both as a member of the state agency (TRA) overseeing the contract and as a key individual responsible for managing the TRS contract.

Arizona Relay Service



MCI was awarded the Arizona Relay contract on October 11, 2001, and began providing services on February 1, 2002, meeting the contractual implementation date. MCI previously provided services in Arizona from July 26, 1993 to July 31, 1998. The current contract was extended through January 2007. The service is served primarily from MCI's relay center located in Chandler, Arizona. Nonpeak, Spanish and STS call traffic is handled in MCI's Riverbank California call center. MCI currently provides

basic relay service. Speech-to-Speech relay, and Spanish language relay to Arizona Relay Service customers. MCI has a dedicated in-state Outreach and Education Specialist who works closely with the Arizona Commission for the Deaf and the Hard of Hearing and manages all activities associated with the promotion of the Arizona Relay Service. These activities include, but are not limited to, the distribution of informational brochures, participation in activities, committees, and organizations that serve the hearing and speech-disabled community of Arizona, and constant interaction with customers to solicit input and feedback about quality of services.

HReferense Name 200	
Contact	Ms. Sherri Collins Arizona Commission for the Deaf and Hard of Hearing
Address	1400 West Washington Phoenix, Arizona 85007
Telephone Number	(602) 543-3383
Scope of Services	3 year contract starting 2/01/02. Greater than 60,000 calls per month Basic Relay, Spanish Relay and Speech-to-Speech

uitSitojučnas k Adionom (* 1	Carreditations
Contact	Mr. James Scarboro* * Contact under first contract term was Ms. Jane Furr-McCutcheon
Address	Arizona State Procurement Office 100 North 15 th Avenue, Suite 104 Phoenix, Arizona 85007
Telephone Number	(602) 542-9122

Historical TRS Contracts

The following is a list of TRS contracts that MCI currently services or has serviced in the past. These contracts were similar in scope to what has been presented in this RFP.

ASOUTE GOVERNO	VALUE OF THE PARTY	A Control	Sairt	Compraise 12
Florida TRS	Contractor	12/91	6/92	Two contract periods
Wisconsin TRS	Contractor	3/92	8/92	
Arkansas TRS	Contractor	4/92	7/92	Two contract periods
Louisiana TRS	Contractor	10/92	1/93	Awarded Contract Extension
Arizona TRS (1 ^{et} contract)	Contractor	4/93	7/93	Awarded Contract Extension
Massachusetts TRS	Contractor	11/95	6/96	
North Carolina TRS	Contractor	12/95	3/96	Included VRS services
California TRS	Contractor	4/96	10/96	Awarded contract extension, includes STS service and VRS trial
VISTA IT / Massachusetts TRS	Subcontractor	11/98	5/99	On-going, Platform / Network provider
Tennessee TRS	Contractor	6/01	9/01	
Arizena TRS (2 ^{ng} contract)	Contractor	10/01	1/02	

MCI is pleased to provide additional reference information for a number of states that MCI has provided relay services for. More information on any of these contracts can be made available upon request.

Ms. Beth Salak, TRS Administrator Florida Public Service Commission
Division of Telecommunications
contact during term: Richard Tudor, TRS Administrator (850) 413-
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6408 Voice
Relay Center in Miami, Florida
120 seats
Monthly averages: 170,000 incoming calls, 234,000
outgoing attempted calls, 163,000 outgoing completed calls.
Basic Relay Service.
Approximately 25,000 users (based on number of ANIs).
Contract Term: June 1992 through May 2000 (two 4-year terms).

Reference Vaine	ĸŗŚjate.cj/Arkansastas es zakata katalina katalina
Contact	Mr. Kenneth Musteen
	President, (ADHITS) Arkansas Deaf and Hearing
	Impaired Telecommunications Service Company
Address	1616 Brookwood Drive
	Little Rock, AR. 72203
Telephone Number	(501) 296-1610 (Voice/TTY)
Scope of Services	Relay Center in Phoenix, Arizona
	Nearly 250,000 relay calls annually
	Basic Relay Service
	Two contract terms, 7/92 through 7/98.

Reference Name	. Spierojalojupjana (25. z. st. e. 20. k. s.
Contact	Ms. Carolyn DeVitis, Vice Chair*
	Louisiana Relay Administration Board
	* Contact during term of contract was Marilyn (Istre) Crain
Address	Louisiana Public Service Commission
	P.O. Box 91154
	Baton Rouge, LA 70821-9154
Telephone Number	(225) 219-9417 Voice

Relay Center in Phoenix, Arizona
Approximate monthly average of 44,000 incoming calls
in 1997 Contract Term: 1993 to 1998

Returning Mainte	
Contact	Ms. Marilyn Benoit, Contract Administrator Center for Individuals with Disabilities Verizon Communications
Address	280 Locké Drive, Floor 4 Marlboro, MA 01752
Telephône Number	(508) 460-4539 Voice
Scope of Services	Relay Center in Holyoke, Massachusetts 80 seats Monthly averages: 78,000 incoming calls, 1.05,000 outgoing attempted calls, 77,000 outgoing completed calls. Basic Relay Service. Approximately 11,000 users (based on number of ANIs). Contract Term: June 1996 through April 1999. MCI served as subcontractor to VISTA IT, providing telecommunications, data network, systems software and reporting for the Massachusetts Relay Service Contract Period May 1, 1999 through April 30, 2003

il Reference Name Va	ระบาท เกิดเกิดเกิด (Pariolis) และ เกิดเกิดเกิดเกิดเกิดเกิดเกิดเกิดเกิดเกิด
Contact	Ms. Linda Nelson, TRS Administrator State of NC- Dept. of Health and Human Services Division of Services for the Deaf and Hard of Hearing
Address	319 Chapanoke Road, Suite 108 Raleigh, NC 27603
Telephone Number	(919) 773-2991 Voice (919) 773-2974 TTY
Scope of Services	Relay Centers in Madison, Wisconsin and Phoenix, Arizona 60 seats
	5.6 million session minutes, 3.8 million relay minutes and 1 million calls during the year of 1998. Basic Relay Service plus Video Relay Service (VRS)
	Approximately 9,000 users (based on number of ANIs). Contract Term: March 1996 through March 2000.

Section 5.2.4 Technical Approach. The Proposer shall describe the vendor's plans and approach for accomplishing the work requested. The information provided shall be in enough detail to enable the State to accomplished and should outline Proposer's understanding of the effort to be accomplished and should outline the steps in the total service proposed. Technical Proposals shall provide the following narrative information (referencing the subsections in sequence) to evidence the suitability of the Proposer's technical approach to delivering the services sought under this RFP:

5.2.4.1 Proposers must provide a comprehensive narrative, captioned "Project Understanding," that illustrates the vendor's understanding of the State's requirements and project'schedule.

Response: vCustome is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

5.2.4.2 Proposers must provide a comprehensive narrative, captioned "Project Approach," that illustrates how the Proposer will complete the scope of services, accomplish required objectives, and meet the State's project schedule. Included in the description of the Project Approach, the bidder shall provide a description of the facilities to be utilized to provide the service. This description shall include the number of and proposed location of relay center(s), type of office c nd telecommunications equipment to be utilized at the center, back-up emerg ncy power sources and locations, and any other necessary equipment.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telere ay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP.

Project Approach

MCI proposes to provide the full scope of services listed in the RFP and the related documents. Leveraging an existing call center within Tennessee, MCI can quickly and seamlessly transition calls from the existing provider to our network. Once transitioned, Tennessee Relay users will immediately benefit from the state-of-the-art technologies used to support the MCI service.

Proposed Relay Services

MCI's relay incorporates all of the items listed in the RFP's scope of service as standard features of the relay service. The services will be available 24 hours a

day, seven days a week, 365 days a year. Since MCI began providing relay services in 1992, the following basic services have been offered:

- Text to voice and voice to text in Baudot and ASCII
- Voice Carry-Over (VCO), 2 Line VCO, VCO to VCO, VCO to TTY
- Hearing Carry-Over (HCO), 2 Line HCO, HCO to HCO, HCO to TTY

Additionally, MCI's Speech-to-Speech service is the longest continuously running service in the industry. MCI developed this service based upon the specifications and requests of STS users. The FCC based its guidelines and rules for STS on MCI's service and platform.

MCI's relay system works with all present CPE equipment including any that are Turbo Code enabled.

MCI offers Spanish language relay in all of its relay centers. A call can either arrive to the center as a Spanish call or the CA can change to Spanish at the user's request.

Directory Assistance is offered to users at no cost, unless the TRA requests that appropriate charges be applied to such calls.

Emergency Calls

MCI exceeds the FCC's mandatory minimum standard for emergency call handling in its relay platform, implemented in 1999. The system automatically identifies and connects to the caller's Public Safety Answering Point by cross-referencing the caller's delivered ANI with its associated PSAP contained in the emergency directory. MCI's platform also automatically transmits the caller's ANI to the PSAP.

When an emergency call request is originated from a cell phone the caller is prompted to provide a physical location. The system then looks up and dials out the associated PSAP. This step ensures connection to the appropriate PSAP as opposed to the PSAP location associated with the delivered ANI (e.g., cell tower location).

As soon as the CA recognizes that an emergency call is being placed, a supervisor is summoned to assist with the call. Simultaneously, the CA presses the "Emergency" macro button on the keyboard to bring up a selection of emergency numbers associated with the incoming ANI. The system automatically identifies and connects to the caller's Public Safety Answering Point by cross-referencing the caller's delivered ANI with its associated PSAP contained in the emergency directory. MCI's platform also automatically transmits the caller's ANI to the

PSAP. The appropriate PSAP number is the default phone number and is immediately dialed if the CA presses «Enter». When the CA initiates the emergency dialing feature, the console is placed in a "busy" or "stand-by" mode while the outgoing call is routed to the PSAP. This process retains the caller's ANI should the caller hang up before connecting to the PSAP, and prevents the console from being available for an incoming call which would erase the caller's ANI. The system is capable of completing the call to the PSAP even if the originating caller is no longer on the line.

Once the PSAP answers, the CA says: "(This is Tennessee Relay Service CA XXXX with an emergency relay call.", and relays any additional information provided by the caller.

At this point, the CA facilitates that call as necessary and relays all Emergency Service personnel instructions.

711 Access

MCI provides 711 access for all states in which it provides relay service. 711 access will be available for TRC users.

Continual Improvement

MCI is continually working to improve the features and capabilities of its relay service offerings and will apprise the Agency of any technological improvements that may impact TN Relay. MCI's goal is to design its system and solution to provide a solution that achieves the goal of functional equivalence.

MCI closely follows the research of the TAP program at Gallaudet University, the Trace Center at the University of Wisconsin, the Archimedes Project at Stanford University and Rochester Institute of Technology. MCI also works closely with companies involved in deaf communications (e.g., NXI Communications, Ameriphone, Ultratec and many others) to stay abreast of the latest technology innovations. MCI continues to leverage proven technology and incorporate new features into its NexGen platform. MCI sees the Internet as a huge leap forward for text and video communications and is working to add the power of the Internet to the relay service.

In addition to working closely with professional and technical organizations, MCI prides itself on listening closely to its customers and meeting their needs. The company's continuing ability to meet those needs depends on excellence in:

 Harnessing the rapid evolution of advanced technology to create products and services that anticipate customer needs

- Implementing those products through the most technologically advanced network in the world
- Bringing products and services to the marketplace through the most qualityoriented sales force in the industry
- Providing the highest level of customer service in the industry.

MCI's position as a relay services industry leader is proven by the list of "firsts" achieved by the company:

- First in the market to offer Speech to Speech (STS) services
- First on the market with Video Relay
- First on the market to offer true Caller ID through SS7 technology
- First to offer IP Relay services
- First to offer IP Relay Wireless services
- First to offer My IP Relay services
- First to offer My IP Relay Number

In the event that MCI has researched and tested technology innovations that may have impact on TN Relay offerings, a meeting with the State will be requested to demonstrate the new technology. The purpose of this demonstration will be to introduce State officials to the new advances and to garner feedback on how important these advances will be to improving the overall value of TN Relay.

If the State determines that the new technology would improve the value and effectiveness of TN Relay, MCI will immediately begin test implementation of the technology. Prior to offering any of the new technology or services to the public, MCI will undergo a rigorous development and quality assurance assessment in order to prepare the TN Relay system for the inclusion of the new technologies. Before enabling the technology for complete rollout to all TN Relay customers, MCI will invite a select group of consumers to conduct beta tests of the new technology. MCI will use feedback from these users to refine the product prior to final release to the general public.

If the new technology is of significant proprietary value, MCI will seek ownership of or licensing of the product prior to release. This will protect the initial investments of MCI and the State and will allow TN Relay access to the most innovative and advanced features of the product. MCI will work with the Agency to determine if additional pricing is required to use a specific new feature.

In recognition of MCI's pioneering efforts to bring about IP-Relay services, MCI won TDI's 2003 Robert H. Weitbrecht Telecommunications Access Award. The Robert H. Weitbrecht Award recognizes outstanding contributions to improving the accessibility of telecommunications or media for people in the United States who are deaf, hard of hearing, late-deafened, or deaf-blind.

Facility Description

MGI proposes to run an in-state center located in Memphis as the primary center for handling Tennessee's relay traffic. This 33,000 square foot facility provides more than adequate space for the estimated 75 seats required for Tennessee Relay Service. This facility is fully operational.

A secondary center in Riverbank, CA will be used to handle off-peak, Speech to Speech and Spanish relay traffic.

All of MCI's relay centers have the same relay hardware and software and each center is fully capable of handling traffic from any of MCI's other supported states. This fully redundant network allows MCI to offer relay services to all users in Tennessee in the event of an emergency situation that precludes use of the Tennessee Relay Center.

The Tennessee Relay Center will be equipped with the necessary telecommunications equipment, software, and support systems to run the Tennessee Relay System and meet all required levels of service as detailed in the RFP. This infrastructure includes all transmission and switching systems, specialized operator console networking elements and software, network billing systems, and technical support.

Equipment and Personnel

MCI will supply all facilities and telecommunications equipment required to provide the Tennessee Relay Service, as specified in the RFP. This will include all telecommunications trunks, cables, or lines connected to the relay center to receive or initiate telecommunications for the purposes of providing the relay system. MCI will prepare the facility with all supplies, furniture or miscellaneous items required to provide the Tennessee Relay System as specified in the RFP. MCI will provide all personnel and the necessary training of all personnel required to staff and will operate the Relay System as specified in the RFP. Based upon the requirements of the RFP and the estimated call volumes, MCI has projected that a 75-seat call center will be required to handle peak traffic.

Uninterruptible Power

The Tennessee Relay Center will have adequate redundancy features functionally equivalent to the equipment in normal central offices, including uninterruptible power for emergency use.

MCI will protect the TRC from power outages with an uninterruptible power supply (UPS), a battery system, and a back-up diesel generator. This equipment will be located on site at the Memphis facility. In the event of an outside power loss to the center, the battery system and UPS alone will be capable of maintaining power for up to two hours (this may vary depending on load) or up to the time the diesel generator would take over. Generally the diesel generator will take over in approximately 2 minutes or less, thereby providing long-term power. The long-term generator backup can maintain operations as long as needed by refueling.

The uninterruptible power supply and back-up generator set will support all critical functions at the center, including:

- Transmission equipment (channel banks, protection switches, radio equipment, ACD, channel service units, etc.)
- Local PBX and peripheral systems
- LAN and WAN connected devices including operator consoles and terminals, servers, gateways, Call Detail Record recording and collection systems, and communications elements
- Environmental systems including air conditioning, fire suppression, systems alarms, emergency lighting systems including operator work site emergency lights.

The UPS provides support to these critical functions in the following way:

- All outside power runs directly through the UPS and battery system, and once it has flowed through the UPS, the outside power energizes the center.
- If there is a disruption in outside power, the UPS detects the disruption, and continues powering the center through the battery system, avoiding any interruption.
- Once the UPS begins delivering power to the center, it immediately utilizes the automatic transfer switch to activate the diesel generator. It takes approximately 2 minutes for the generator to start up and stabilize its output, and at that point the generator supplies power to the center in support of critical functions.

MCI will perform weekly maintenance and testing of this equipment to ensure availability of this alternate power source in the event of a power failure at the Tennessee Relay Center.

Switching Equipment and Platform

MCI will use its Next Generation "NextGen" Platform for Computer Telephony Integration and Client Server call processing. This NextGen platform represents a

revolutionary improvement over previous technology and offers new possibilities by taking advantage of leading edge technical solutions. It offers the latest advances in relay, text, data and telephony technology to the end user, including:

- DMS 100 Automated Call Distributor (ACD)—the same ACD used by MCI
 Operator Services—providing state of the art switching capability, allowing
 for greater trunking capacity, faster routing, transparent overflow routing in
 overflow situations and decreased call set-up time.
- Faster connection times using SS7 trunking makes network delivery times 30 to 50% faster than competitive platforms. Using MCl's high speed OnNet network enables the NextGen platform to make seamless connections between caller, CA and terminator.
- Real-time operating statistics -- allowing Tennessee Relay Center management to make quick and accurate decisions in managing traffic.
- Open platform -- allowing MCI to integrate any new features like integrated video, Internet Protocol telephony, full duplex text typing, open protocols such as Ameriphone's high speed Baudot, text to speech and speech to text. MCI's goal is to provide an open platform for the end user equipment makers to work with.
- High end PC CA workstations utilizing Windows technology.
- Sturdy headset with adjustable volume control.
- Windows-based technology allows the CA to use a pleasing, animated, easy to use screen, which translates into better service to the relay user.

MCI uses a switching system that allows for preventative maintenance while the system is on-line. MCI's relay system employs an extensive level of redundancy throughout its network to ensure that no calls are dropped due to processor failure. MCI employs a variety of methods to ensure that the network is fully supported to provide continual operation. These methods are incorporated in all of its relay centers, and include:

- twenty-four (24) hour system and network monitoring
- redundant CPUs on hot stand-by
- power distribution
- memory storage systems
- Maintenance and Administrative Terminals that include keyboard, screen and printer capabilities
- on-line real-time system monitoring and programming
- preventative/maintenance capabilities that allow the system to remain on-line.

The MCI switched network is built on a fiber backbone, which provides multiple diverse routes into, out of, and between switches. MCI's network is designed as a three-level switching hierarchy consisting of Class 1, Class 3 and Class 5 switches. Class 1 switches (also known as tandem switches) determine the

concentration of call traffic over the network and route calls to other Class 1 switches or Class 3 switches serve a region or metropolitan area, receive calls from and deliver calls to local Bell Operating Companies (BOCs), support Feature Group D service, and route calls to other Class 3 switches or Class 1 switches. Class 5 switches are Local Class Switches.

MCI uses state-of-the-art Northern Telecom DMS250 switches in a fully meshed digital network topology. Each of the DMS switches operates on 4CS05, Nortel's newest software load. Additionally, MCI employs digital tandem switches manufactured by DSC Communications across the country. Dual paths are established between switches for redundancy and to minimize single points of failure.

Transmission Quality

The transmission circuits used by MCI will meet or exceed FCC inter-exchange performance standards for circuit loss and noise. MCI will continually monitor and test the communications facilities required to support relay services to ensure that these facilities satisfy and/or surpass FCC and inter-exchange performance standards.

Additionally, MCI's Operations and Engineering groups conduct ongoing reviews of industry accepted standards for telecommunications, including Bellcore specifications. This review ensures that MCI continues to adhere to its high quality standards, and it simplifies the compliance verification procedures.

Call Recognition.

One of the key factors in providing quality relay service is the ability of the provider to quickly and accurately recognize incoming calls. MCI has designed its relay platform to minimize the time required to respond to user calls and to automatically recognize and route incoming calls to the appropriate CA or call center.

The Tennessee relay console is the CA's primary tool and is designed to assist the CA in the connection process and to ensure a fast, accurate connection. The workstation equipment and software will support a wide range of TTYs including all the manufacturers' models that may be utilized throughout the State of Tennessee.

MCI's relay call center software system handles calls at the relay console, provides billing processing, and will handle overall call center traffic management. All of MCI's relay equipment is capable of receiving Baudot, ASCII and Turbo codes, and can automatically identify incoming calls as Baudot,

ASCII or Turbo. The equipment automatically adapts to the signal of the user, regardless of whether the user calls the TTY number or the voice number to reach the relay center.

MCI's relay consoles automatically connect with text users using either Baudot of ASCII. To enhance this capability MCI offers users the ability to complete an individual profile for use with the relay call center. Users can register their originating number or a destination number and can register the type of equipment used. When a registered user calls the center, the relay console will recognize the ANI (caller's telephone number), and will set up the appropriate communication parameters.

Even if a user has not completed a profile, the MCI system is capable of automatically determining the proper communication parameters. When a user calls, the relay center using the TTY number, the console examines the ANI to determine if the line is pre-registered. If the user is not pre-registered, the console answers with a Baudot greeting and waits for a response. If the system does not detect Baudot, the console then applies an ASCII answer tone to the line and waits for an ASCII connection. If the ASCII tone results in no connection, the operator will be prompted to voice a greeting to a potential voice user. If there is no voice answer, the console again greets in Baudot and the cycle repeats, this cycle of sampling takes 600ms or just over one half of a second to complete and start again.

Similarly, if a caller reaches the relay using the voice number, the caller is greeted in voice. However, if there is no response, the console will then greet with a Baudot greeting. If there is still no answer, then the ASCII answer tone is applied to the line. If no ASCII connection is established, the cycle repeats, beginning again with voice. This cycle of sampling takes only 600ms to complete.

Normal ASCII answering is initially at the following technical parameters:

- 300 baud;
- Eight data bits
- No parity
- One stop bit (8N1)

This is standard for most PC devices.

The console examines the TTY or PC connection tone and, if necessary, shifts from 300 band to 1200 or 2400 band depending on end user equipment and LEC line conditions. Characters typed by the TTY or PC user will be analyzed and the console automatically shifts to seven data bits, even parity, and one stop bits (7E1), or seven data bits, odd parity, and no stop bits (701) as required.

For calls by voice users to TTY or PC users, the console responds in a similar fashion when connecting to the terminating party. If the terminating user's TTY or PC answers in ASCII, the relay console connects in ASCII at the baud rate indicated by the TTY or PC. The console then automatically examines the first few characters transmitted by the TTY or PC and determines the data, parity, and stop bits (8N1, 7E1, or 7O1) to use in communication.

At any point in the call, the CA will have the ability to override the console and change the connection parameters should this be required.

ISN Trouble Triage

The ISN Trouble Triage organization is MCI's centralized organization responsible for tracking and resolving software and hardware troubles associated with the NexGen platform. The group operates 24 hrs a day, 365 days a year and provides first level trouble management for all issues involving voice and data networks and call processing hardware and software residing on MCI's NexGen voice and data networks. Triage interfaces with all required second level support organizations including Operations, Development, Mid-Range Support, Switch and ACD sites in order to ensure that troubles are resolved in a timely and efficient manner.

5:2.4.3 Proposers must provide a comprehensive narrative, captioned "Project Management," that illustrates how the Proposer will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the REP.

5.2.4.4 The relay center(s) shall be physically located in the State of Tennessee. However, to save costs, any Proposer may shift off-peak calls to another state center as is being done in Tennessee at the present time. A description of the method of relay call transfer to another state center during off-peak hours including the identification of the time of day when calls may transferred shall be described in the Technical Approach of the Proposal.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

5.2.4.5 Proposers must provide a description of the telecommunications trunks, switched, cables or lines to be connected to the relay center including their proposed location shall be provided. A design or diagram to illustrate the network configuration to be used to provide TRC including the way callers will access the service and the way the provider will process the traffic. The Proposer must explain and illustrate how it will satisfy the FCC requirement of access to the interexchange carriers (IXCs) of choice. In addition, the routing of off-peak traffic, if included, in the proposal should be explained.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP:

Carrier of Choice

MCI's relay system is designed to accommodate Carrier of Choice requests, and MCI is dedicated to ensuring that TN Relay users are afforded the same calling options as voice telephone users including the selection of a preferred interexchange carrier (IXC). MCI will seek to obtain a list of the current long distance providers from the outgoing relay provider prior to service cut-over. This will allow time to identify any providers that are not in MCI's current database. MCI will send the carrier an Access Service Request (ASR) so that the TN Relay IXC database will be up-to-date prior to service cut-over.

TN Relay users can identify their Carrier of Choice (CoC) either by pre-selecting the carrier via caller profile or by direct request to the CA at the beginning of each call, prior to placing the outbound call.

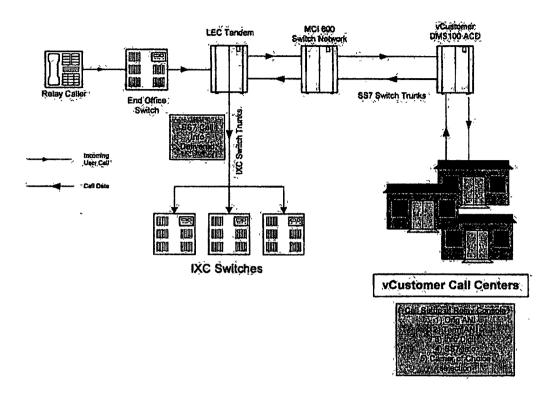
At the beginning of any call, the TN Relay user may override a pre-selected CoC. If the caller does not have a Carrier specified in his or her caller profile and does not communicate a specific Carrier to the CA, MCI will be the default carrier for the call. MCI will provide free long distance for Interstate TN Relay calls that are carried by MCI.

In the event that the TN Relay user requests a new Carrier that is not available in the CoC database, MCI will inform the caller of such and offer other carrier of choice alternatives. If such a request is made via a caller profile form or by otherwise contacting TN Relay Customer Service, MCI will attempt to work with the requested Carrier to obtain the information necessary to add that Carrier to the database. If that cannot be accomplished, MCI will make a reasonable effort to follow up with the customer and inform him or her of the unavailability of the chosen carrier.

MCI provides for each caller's Interexchange Carrier (IXC) of choice by routing those requests to a LEC tandem that has IXC trunking. At the LEC tandem the trunking is switched over to the proper IXC who is provided with the Originating ANI, Terminating ANI, Info Digit and all SS7 information including Caller ID. With that information the IXC has all routing and billing information needed for proper routing and billing. Information about Carrier of Choice options will be included in the appropriate consumer outreach material. In the event that a customer's preferred carrier is not loaded in MCI's database, MCI will attempt to add that carrier to MCI's database. The following actions will be undertaken pursuant to this goal:

- MCI will send the carrier an Access Service Request (ASR) form to notify the carrier that MCI would like to pass MCI traffic to the carrier's switch.
- The carrier must complete and return the form to MCI indicating that it agrees to have traffic routed to their circuits from MCI.
- MCI will process the form, update the database, and route the traffic appropriately through the local carrier.

The following graphic illustrates MCI's Carrier of Choice routing:



Network Design

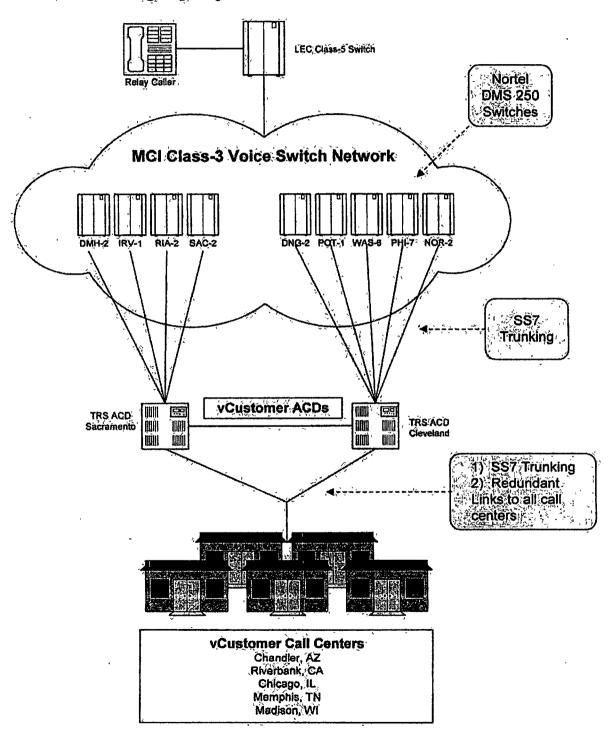
MCI has built one of the most reliable network backbones in the world. MCI's Next Generation Network exploits new technologies to increase network capacity, add special features, customer controls, improve reporting, and flexible packaging, while providing the best value available. The Next Generation Network is a network that converges voice and data communications, offers comprehensive communications solutions, provides web enable services, offers more customer control, and designs last mile access solutions.

The transmission circuits used by MCI meet or exceed FCC inter-exchange performance standards for circuit loss and noise. MCI continually monitors and tests the communications facilities required to support relay services to ensure that these facilities satisfy and/or surpass FCC and inter-exchange performance standards. Such monitoring ensures that MCI's TRS transmission circuits meet or exceed the generally accepted industry standards.

MCI has recently activated OC-192c circuits with Multi Protocol Label Switching (MPLS) technology between three of our major hubs. Plans are in place to upgrade the backbone to full line rates of OC-192c, or 10 gigabits per second, speeds. This upgrade will triple current network bandwidth and will offer

customers the highest Internet Protocol transmission speeds available. Additionally, MCI uses Signaling System Seven (SS7) trunking throughout its network. This allows MCI to experience a 30 to 50 percent speed increase over competitive platforms.

The following diagram provides detail on MCI's network:



Switched Architecture

The MCI switched network is built on a fiber backbone, which provides multiple diverse routes into, out of, and between switches. MCI's network is designed as a three-level switching hierarchy consisting of Class 1, Class 3 and Class 5 switches. Class 1 switches (also known as tandem switches) determine the concentration of call traffic over the network and route calls to other Class 1 switches or Class 3 switches. Class 3 switches serve a region or metropolitan area, receive calls from and deliver calls to local Bell Operating Companies (BOCs), support Feature Group D service, and route calls to other Class 3 switches or Class 1 switches. Class 5 switches are Local Class Switches.

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Next Generation Networks

MCP's Next Generation Network initiative focuses on re-architecturing operational support systems in order to meet the new demands stemming from the next generation of high-speed IP based networks. The Next Generation Network systems are an integrated mesh of best-of-breed vendor and custom applications providing flexible real-time billing, customer initiated order management, physical and logical core to CPE provisioning, self-healing and proactive network management, event driven trouble management and single point of contact customer service.

A dual level framework is used to glue the stand-alone functional systems together. The foundation of this framework consists of an Enterprise Application Integration (EAI - Workflow, Transaction Processing, etc.) architecture consisting of an array of dynamic business rules using a central object database-of-record with a data warehouse, data mart and data dictionary functionality. Utilizing this architecture, business rules are tightly linked to requirements through a requirements management system. To support a robust architecture the EAI leverages multiple standards, which may include COBRA, COMS, LDAP, XML, DCE, SSL, and others. The result is a highly configurable workflow management system that provides flexible transaction processing through interfaces to both legacy and Next Generation Network systems.

Network Backbone

MCI continues to lead the telecommunications industry in the implementation of cutting edge technologies. The driving force behind the improvement of the MCI network is SONET (Synchronous Optical Network), a set of standards that will define optical telecommunications well into the 21st century. MCI began to install SONET-capable equipment in 1992. Today more than 80 percent of MCI's traffic travels over SONET-compliant facilities. MCI's domestic backbone network transport is 98 percent over fiber facilities with over 30 million route miles of fiber. MCI's combined core network is the largest domestic network.

In the past, MCI would install OC-3/OC-12 shared/dedicated building rings. However, deregulation, along with the ever-growing bandwidth needs of customers, are making OC-48 and OC-192 building service rings routine and economically viable. Transport technologies today of OC-48/OC-192 will migrate up to OC-672 as commercially available for deployment. New DWDM (Dense Wavelength Division Multiplexing) technologies will maximize existing fiber builds into the next decade. Currently, MCI's DWDM is 16 wavelengths at OC-192 and 32 at OC-48.

OC-672, currently in being investigated in MCI's test labs, and higher density DWDM technologies are making the unlimited bandwidth goal possible. Voice, data, or multimedia will become bits for transport, and dynamic bandwidth allocation will become the network optimizer. Connectivity to the world with data security (encryption) will become a simple process of connecting to the local data portal. These goals are highly attainable and will propel our company to lead the telecommunications industry as we have done in the past.

5:2.4.6 Proposers must describe hiring and training procedures for Communications Assistant (CA) (how they are to be selected, screened and trained). The procedures to be utilized to assure objectivity, sensitivity to the communicatively disabled, and the confidentiality necessary to properly relay calls. The bidder shall specify corporate-discipline procedures that shall assure CA standards are maintained. The bidder shall describe how many CAs will work under each supervisor in Tennessee and at what call volumes the number of supervisors and CAs would change.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. MCI has provided vCustomer with an updated response to this section of the RFP, which addresses changes that have occurred since MCI submitted its response to the RFP. Consequently, vCustomer adopts the following updated response to this section of the RFP.

MCI WorldCom views the role of the Communications Assistant (CA) as one of most important components of our Relay Service offering. As the primary contact between MCI WorldCom's services and Tennessee Relay users, CAs must exhibit exceptional professionalism, typing and voice skills, and ethical standards. Because of the critical nature of this role, MCI WorldCom follows rigorous standards for both the hiring and the training of its CAs. The following information details the procedures and steps that are taken to ensure that MCI WorldCom's CAs provide the best in relay service to our customers.

Staffing Criteria

Based upon the call volumes provided in Appendix A of the RFP, MCI WorldCom estimates that a 75-seats in our Memphis facility will be needed to handle the calls. MCI WorldCom will immediately begin monitoring call volumes and will adjust head count as necessary to affect the appropriate handling of all calls. MCI WorldCom employs one CA Supervisor for every 20 CAs, so current estimates for the TRC facility indicate that four to five CA Supervisors will be hired to provide oversight of CA teams.

Hiring Procedures

MCI WorldCom utilizes a relay-specific program to pre-screen all applicants. This system of questions was carefully developed to screen applicants for their past work history, their typing, grammar and spelling skills and their suitability for the Relay environment. This interview package was designed to identify candidates who meet the skill requirements as well as the strict Confidentiality and Ethical Standards applied by MCI WorldCom to their Relay operations.

Pre-screening, automated tests are administered to gauge an applicant's typing, spelling and grammar, and voicing skills.

- Typing Tests: The typing test is computerized, and evaluated against a standard of 60 wpm. The test is administered to test both visual and audio (dictation) typing skills. The software automatically evaluates the test for both speed and accuracy. The Interview Administrator validates the typing test results.
- Spelling and Grammar: MCI WorldCom recognizes the need to employ non-biased, validated grammar and spelling testing and our testing materials are standard entry-level college exams. The Interview Administrator will verify the results. An 80% accuracy rate is required to achieve a passing score on the exams.

Voicing: Applicants are additionally screened for their voicing abilities with attention paid to clarity, diction and application of appropriate voice tones. Candidates are required to voice an assortment of possible scenarios they may encounter on a Relay call, including some they may find objectionable or uncomfortable. Only candidates who clearly and accurately voice the examples, while applying appropriate voice tone and inflection, receive a favorable rating.

If an applicant scores favorable ratings on the above tests, the Interview Administrator will conduct a screening that covers three critical "clusters" of professional experience and personality including:

- <u>Cultural Awareness</u> Applicants need to recognize and appreciate cultural differences and how those differences influence goals and interests.
- <u>Self-Discipline</u> This includes maintaining focus on the job at hand and ability to follow strict policies and procedures.
- <u>Technical/Functional</u> This includes all of the technical skills required to fulfill the position including appropriate typing speed, knowledge of spelling and grammar, voicing skills, ASL, etc.

Should a candidate pass all required pre-screening as detailed above, they will be admitted to MCI WorldCom's 2-week CA initial training program. Upon completion of this program, CAs are required to complete another round of testing, including written policy and procedures, typing skills, voicing skills and call processing policies, written forms of ASL, hearing and speech disabilities cultures, etiquette, ethics, confidentiality and professional judgment.

CA Training

MCI provides comprehensive and intensive training to all production floor employees including all CAs and CA supervisors. This training includes Deaf culture and disability training, the proper handling of all forms of relay – TTY, VCO, HCO, Voice, STS (for those employees who handle STS customers), ASCII, and IP-Relay – as well as the appropriate handling of special services and situations including MCI-offered enhanced services, emergency call protocol and procedures, and use of Directory and Operator Services. MCI has included a comprehensive training plan that lists each workshop provided to all operators.

MCI utilizes a variety of teaching styles and techniques including lectures, demonstration, video, overhead projections, group activity, interactive games and quizzes, peer presentations and hands-on experience (both simulated and live relay calls) in the new hire CA training program. Among the class topics covered

is an extensive section relating to call handling policies and procedures. This indepth class provides practice to ensure fast, efficient handling of the variety of call types that CAs face in the day-to-day handling of relay calls.

The MCI New Hire Training program is conducted over three weeks and includes:

- 80 hours classroom training
- 15 hours dedicated to Deaf Culture, ASL and ASL Gloss traning
- 13.5 hours Practice Calls
- One week on the job training

Training covers all aspects of CA responsibilities with specific segments dedicated to:

- TRS Ethics and Confidentiality
- · Call processing of all possible relay call types
- All aspects of available billing.
- Emergency situations
- Customer Relations Management

The 80 hours of customized on site classroom training for all new hires includes side-by-side monitoring of experienced CAs taking live calls. After they are certified, newly-hired CAs spend an additional week taking IP-Relay calls in an on-the-job fraining program. After successfully completing the intensive three-week new hire training program, CAs are ready to begin taking TN Relay calls.

Within the classroom, trainees train and practice on hardware and software identical to that which they will be using on the production floor. This classroom time includes 13.5 hours of practice call sessions. The training area is equipped with all types of equipment that CAs may encounter when handling calls: TTYs (general and specialized such as the Ameriphone VCO phone), answering machines, voice mail and other automated systems. The new hire training program also involves processing mock relay calls to and from each type of equipment using a variety of call scenarios, e.g., VCO, HCO, VCO to VCO, answering machines, voice mail and automated response systems, etc. CA-trainees who have completed the initial two-week classroom training period are also allowed to utilize the training equipment to continue practicing and improving their call handling skills during their regularly scheduled work hours, provided that it does not interfere with the Center's ability to promptly handle production call traffic.

Ongoing Skills Assessment

MCI provides regular supplemental training and testing for all CAs. On going training topics are selected based on the following factors:

- Areas of opportunity identified by performance evaluation
- Customer feedback
- Technical enhancements
- New policies or protocol
- Regular refresher training focusing on a variety of topics

In addition to these factors, CAs receive on-going supplemental training on skills and knowledge MCI considers fundamental to relay service. Training topics include, but are not limited to:

- Spelling and grammar
- Confidentiality and Code of Ethics
- ASL gloss and grammar
- Deaf culture
- Needs of speech-disabled, late-deafened, and hard-of-hearing users
- Handling emergency calls
- Stress management and sensitivity training

To ensure that all CAs maintain a typing speed of at least 60 wpm, MCI conducts regular testing of CAs including at three months tenure, one year tenure, and annually from that date for subsequent years of employment.

National Quality Assurance Monitoring

MCI is committed to quality and has a fully developed National Quality Program to measure CA skills in all call modalities and situations. MCI's trained team of Quality Specialists will place a minimum of 150 scripted test calls to STATE RELAY CAs each month. Scripts will be designed to reflect realistic Relay conversations including personal and business calls. Scripts will be designed to measure up to 53 distinct call handling skills including typing. The MCI Quality Team writes scripts that include medical, legal and technical language as well as a variety of emotionally charged scenarios to test the CAs spelling, grammar, voicing and detachment skills. No actual relay calls are recorded or stored for evaluation.

MCI's National Quality Assurance Monitoring Program has been designed to gauge the level of performance of the CAs handling TRS calls. Federal law allows for quality monitoring. Since both the "caller" and the "called party" are role-playing while making the QA calls, no notification of a call being monitored is required. A complete script for each scenario is provided to the involved QA personnel.

MCI utilizes active call monitoring by CA Supervisors and Trainers by evaluating CA performance through internal Quality Monitoring (QM) activities on a periodic basis on all CAs. QM will involve placing scripted test calls through STATE RELAY and evaluating CA performance. These scripts include scenarios requiring the CA to relay the call in limited typed English. Typing speed and accuracy will be among the items observed and tested for.

	ARIZONA	CALIFORNIA	TENNESSEE	iP.	TOTAL //
Ops Surveyed	241	347	229	552	1369
Call Count	1456	600	1390	1191	4637
Avg Call Dur	6:07	6:59	6:07	5:34	6:05
Spell %	99.6%	99.6%	99.5%	99.7%	99.6%
Typo %	98.9%	99.2%	99.0%	99.6%	99.2%
Verbatim %	95.4%	95.8%	95.3%	94.9%	95:3%
Corr %	98.7%	99.0%	98.3%	99.9%	98.9%
% Op Id Number	98.6%	98:8%	97.6%	98.4%	98.2%
Expl Relay %	98.1%	96.1%	99.0%	95.9%	97.6%
Wrong Num %	1.0%	1.3%	1.4%	1.0%	1.2%

Historically, MCI tests more than 200 calls monthly to ensure the use of appropriate call processing procedures. These staged, scripted calls are performed by MCI staff. No actual Relay calls from the public are recorded for evaluation. The following table lists the 2004 Summary for the QAM program – indicating both a highly successful QA program and also exceptional CA performance:

MCI determines what call types to monitor based upon the frequency of that call type being received by the relay center and by the nature of customer service contacts. Using a matrix based upon reported call traffic data, MCI estimates the types of calls and the general times of the calls in order to best evaluate the quality of service provided at that time and to that scenario. The Relay Quality specialist uses this matrix as a guideline to ensure an equitable distribution of QA calls across all shifts. Scenarios are developed to test across the spectrum of call types including TTY to Voice, Voice to TTY, TTY to Recording, TTY to Answering machine, VCO calls, etc.

The MCI Relay QA Team meets regularly to discuss the results of recent QM testing and to collectively examine and practice QM scoring. Such practice sessions ensure that the Relay QM Team is using the same criteria to evaluate call activities and provides a consistent standard by which MCI's national call centers are judged. MCI's Relay QA Team visits each center periodically to conduct additional on-site workshops and practice sessions to ensure that standards of excellence are applied consistently throughout all call centers.

In order to place a QA call, two MCI employees assume the roles of caller and called person. The QA testers follow the prepared script and pay careful attention to the CAs handling of the call. After each QA call, both the "caller" and the "called person" complete an evaluation form. After each individual separately completes the form, the team jointly evaluates the overall performance of the call.

MCI's National Relay Quality Assurance program includes an automated system for scoring and storing results from Quality monitored calls, the Relay Operator Monitoring System. A variety of reports are available to the State of Washington upon request. Each month MCI will provide a report to the State that includes but is not limited to the following:

- Total number of scripted QA calls placed
- Total number of STATE RELAY CAs sampled
- Average duration of QA calls
- Overall Typing Accuracy score
- Typing Verbatim Accuracy score
- Spelling Score
- Typographical Error Score
- Number and type of call type scripts used
- % of CAs providing their ID number at every appropriate opportunity
- % of wrong numbers dialed in the month
- % of CAs properly explaining STATE RELAY

All Quality Scores are stored in MCFs exclusive Relay Operator Monitoring System and are available to the State upon request.

MCI has included all costs associated with its QAM Program in its base price perminute.

5.2.4.7 Proposers must provide a complete description of how the end users and provider compensation billing records will be created and maintained, how TRC usage reports and consumer complaint reports will be created, and how annual and monthly reports required by this RFP will be prepared. A sample fictitious report each type of information requested as described herein may be submitted in lieu of generalization descriptions.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telefelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

5.2.4.8 Proposers must submit a description of plans for future advertising, promotion, and outreach of the TRC. This plan may include media strategy, sample materials, and any information deemed pertinent by the Proposer.

Response: vCustomer is acquiring all of the institutional experience and equipment of MCI's telerelay service business. Consequently, vCustomer adopts MCI's response to this section of the RFP.

Section 5.2.5 Detailed Documentation of Proposer Financial Resources

documentation of sufficient financial strength and resources to provide the scope of services to the state in the volume projected and within the time frames required; said documentation shall include:

5.2.5.1 the most recent independent audited financial statements for a fiscal year ended within the last 48 months;

Response: vCustomer's audited financial statements for the year ended March 31, 2004 are included as Exhibit F to its CPCN application.

- 5.2.5.2 the following information detailed as dollar amounts itemized with page, references to the independent audited financial statements provided where the amounts may be confirmed (complete Attachment 9.10):
 - -- current assets;
 - -fixed assets;
 - cash:
 - inventories:
 - current liabilities; and
 - -- long-term debt

Response: Our pro forma, as if, consolidated revenues and EBITDA for the year ended March 31, 2005 were approximately \$172.4 million and \$33.1 million, respectively, as compared with revenues of \$169.9 million and EBITDA of \$21.3 million for the year ended March 31, 2004.

5.2.5.3 a statement as to whether the audited financial statements provided, indicate a going concern disclosure, and if so, an explanation of the going concern disclosures.

Response: Not applicable to vCustomer.

5.2.5.4 documentation regarding whether and to what extent there is a positive cash flow from operating activities for the Proposer's current operating period.

Response: Not available; however, vCustomer has received a number of financing vehicles to ensure adequate liquidity in meeting its anticipated funding needs. The Company has received a commitment letter from a major lending institution for \$35

million, from a private equity fund for \$5 million, and from the selling party for \$12.5 million.

ATTACHMENT A

ATTACHMENT'9.1

Certificate of Compliance

RFP#316.11002

vCu	~4~	منمد	اعتداث
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Proposer Name

By indication of the authorized signature below, the Proposer does hereby make certification and assurance of the Proposer's compliance with:

- 1. the laws of the State of Tennessee;
- 2. Title VI of the Civil Rights Act of 1964;
- 3. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- 4. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- 5. the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
- 6. the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

ATTACHMENT B



Annètte Sager Vice President

June 20, 2005

Vivian Michael-Wilhoite Tennessee Regulatory 460 James Robinson Parkway Nashville, TN 37243

RE: Bank Reference

Attention Vivian Michael-Wilholte:

This is to inform you that vCustomer Corporation has several accounts with Silicon Valley Bank. The banking relationship was initiated in January 2002, and it continues to be in excellent slanding. Average balances for the combined accounts are in the low eight figures

This letter is in response to a company inquiry we received from Mr. Jose David, Chief Emancial Officer of vCustomer Corporation.

Should you need further assistance, please do not hesitate to contact me. My direct dial is (4250 576-2085.

Sincerely,

Annette Sager

4706 EKRILLON POLNTI | BIRKLAND, MA 198033 | 425.57612070 | SVELCOR

ATTACHMENT C



June 21, 2005

Jose David V.Customer 520 Kirkland Way, Suite # 101 Kirland, WA 98033

Dear Jose,

Thank you for your 2004 and 2005 computer business. Over the past year your company has done over \$200,000 with our company. We would like to continue our strong business relationship throughout 2005 and 2006.

Since you are in good financial standing and pay within terms we encourage you to continue to do business with our company and particularly when you need those hard to-find parts.

Again, thank you for your previous business and we look forward to your trusted business in the fliture.

Sincerely,

K.C. Barnes

EIMS Direct

(512) 858-7622 x #18

(512) 858-4048 fax

www.cimsdirect.com

CLUSE PROPERTIES, INC.



THE WESTIN BUILDING

Sixth & Virginia Properties 2001 Sixth Avenue, Suite 300 Seattle, WA 98121

June 21, 2005

Jose David VCustomer Corporation 520 Kirkland Way, Suite 101 Kirkland, WA 98033

Re: Credit Reference

Dear Mr. David,

This letter is acknowledgement that VCustomer Corporation has an open account with Sixth & Virginia Properties. They have historically been prompt in paying involces and have a current account.

Should you have any questions in this regard, I can be reached at (206) 443-1800.

Regards,

Tami Mutal

Tenant Account Administrator Sixth & Virginia Properties

Divertor, Indiana risks

ATTACHMENT D



June 15; 2005:

Vivian Michael-Wilholte Tennessee Regulatory 460 James Robertson Parkway Nashyille, TN 37243

RE:

vCustomer Corporation

Telecommunications Relay Service

To Whom It May Concern;

As Surety for vCustomer Corporation, The Hartford Fire Insurance Company will provide a 100% Performance Bond for the above captioned Agreement, provided a contract is awarded to, and executed by vCustomer Corporation.

The Hartford Fire insurance Company expressly reserves the right to review the terms and conditions of the confract and bond form, evaluate perlinent underwriting data and verify the adequacy of project financing prior to the issuance of the aderementioned bond.

The commitment will expire one hundred twenty (120) days from the date of this letter. Please do no hesitate to contact me if you have any further questions or concerns.

Regards,

Kara Harmala

The Hartford Fidelity and Bonding 520 Pike Tower, Stifte 1004 Seattle, WA 98101-4001

Phone 208-346-0135 Fex 208-348-0125 Kara Harmala Othátaritóri com

ATTACHMENT E

Certificate of Compliance

vCustomer Corporation

By indication of the authorized signature below, the Proposer does hereby make certification and assurance of the Proposer's compliance with:

- 1. the laws of the State of Tennessee;
- 2. Title VI of the Civil Rights Act of 1964;
- 3. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- 4. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- 5. the condition that the submitted proposal was independently arrived at, without collusion, under penalty or perjury; and,
- 6. the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP/affidavit.

6/20/05



Annette Sager Vice President

June 20, 2005

Vivian Michael-Wilhoite Tennessee Regulatory 460 James Robinson Parkway Nashville, TN 37243

RE. Bank Reference

Attention Vivian Michael-Wilhoite

This is to inform you that vCustomer Corporation has several accounts with Silicon Valley Bank. The banking relationship was initiated in January 2002, and it continues to be in excellent standing. Average balances for the combined accounts are in the low eight figures

This letter is in response to a company inquiry we received from Mr. Jose David, Chief Financial Officer of vCustomer Corporation.

Should you need further assistance, please do not hesitate to contact me. My direct dial is (4250 576-2085.

Sincerely,

Annette Sager



June 21, 2005

Jose David VCustomer 520 Kirkland Way, Suite # 101 Kirland, WA 98033

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Again, thank you for your previous business and we look forward to your trusted business in the future.

Sincerely,

K C. Barnes

EIMS Direct

(512) 858-7622 x #18

(512) 858-4048 fax

www eimsdirect.com

CLISE PROPERTIES, INC.



THE WESTIN BUILDING

Sixth & Virginia Properties 2001 Sixth Avenue, Suite 300 Seattle, WA 98121

June 21, 2005

Jose David VCustomer Corporation 520 Kirkland Way, Suite 101 Kirkland, WA 98033

Re. Credit Reference

Dear Mr. David,

This letter is acknowledgement that VCustomer Corporation has an open account with Sixth & Virginia Properties. They have historically been prompt in paying invoices and have a current account.

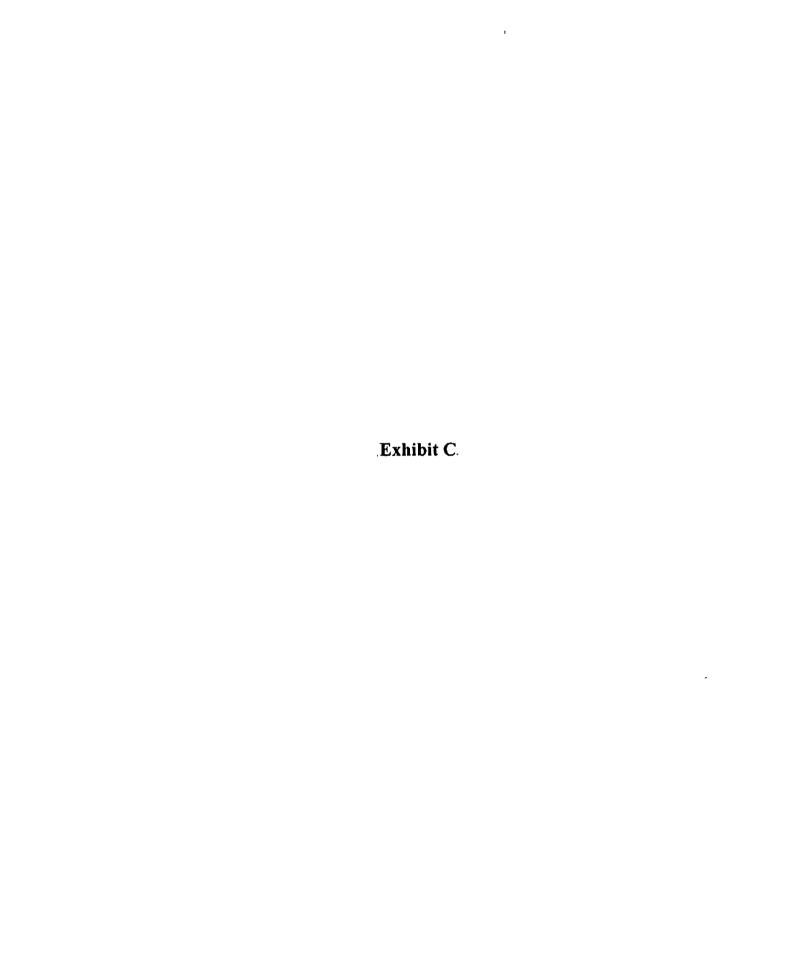
Should you have any questions in this regard, I can be reached at (206) 443-1800.

Regards,

Tami Mutal

Tenant Account Administrator

Sixth & Virginia Properties



Secretary of State **Division of Business Services** 312 Eighth Avenue North 6th Floor, William R. Snodgrass Tower Nashville, Tennessee 37243

TO: VCUSTOMER CORPORATION AT: LUIS MATA 520 KIRKLAND WAY KIRKLAND, WA 98033

ISSUANCE DATE: 06/03/2005 REQUEST NUMBER: 05154138 TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 05/26/2005 STATUS: ACTIVE CORPORATE EXPIRATION DATE: PERPETUAL CONTROL NUMBER: 0494792 JURISDICTION: WASHINGTON

REQUESTED BY: VCUSTOMER CORPORATION AT: LUIS MATA 520 KIRKLAND WAY KIRKLAND, WA 98033

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT "VCUSTOMER CORPORATION"

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE:
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID:
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 06/03/05

VCUSTOMER CORPORATION 520 KIRKLAND WAY SUITE 101 KIRKLAND, WA 98033-0000

FEES \$20.00 RECEIVED:

\$0.00

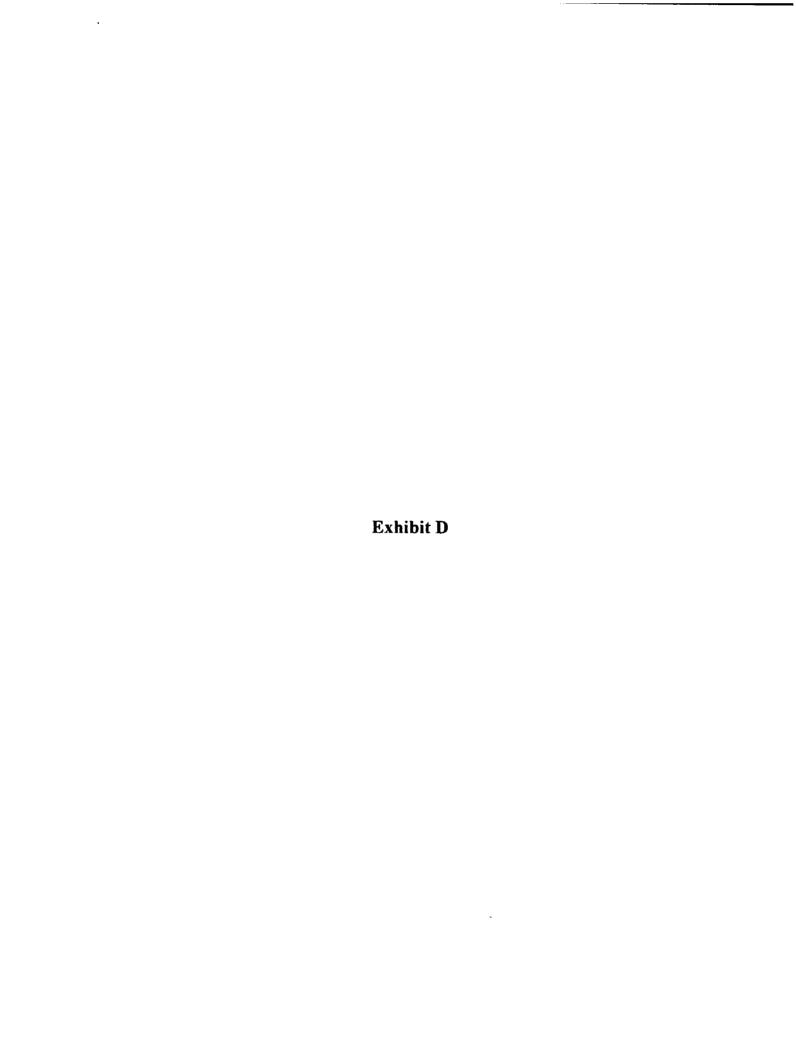
TOTAL PAYMENT RECEIVED:

\$20.00

RECEIPT NUMBER: 00003751227 ACCOUNT NUMBER: 00495445



RILEY C. DARNELL





June 15, 2005

Vivian Michael-Wilhoite Tennessee Regulatory 460 James Robertson Parkway Nashville, TN 37243

RE.

vCustomer Corporation

Telecommunications Relay Service

To Whom It May Concern;

As Surety for vCustomer Corporation, The Hartford Fire Insurance Company will provide a 100% Performance Bond for the above captioned Agreement, provided a contract is awarded to, and executed by vCustomer Corporation.

The Hartford Fire Insurance Company expressly reserves the right to review the terms and conditions of the contract and bond form, evaluate partinent underwriting data and verify the adequacy of project financing prior to the issuance of the aforementioned bond.

The commitment will expire one hundred twenty (120) days from the date of this letter. Please do no hesitate to contact me if you have any further questions or concerns.

Regards,

Kara Haimala

The Hardord Fidelity and Bonding 620 Pike Tower, Suite 1004 Seattle, WA 98101-4001

Phone 208-348-0135 Fax 208-348-0125 Kara Harmala Otheharlford com Exhibit E

L	ACORD CERTIFICATE	OF LIABIL	ITY INS	URANC	E	06/15/2005	
Bal	dwin Resource Group, Inc. Box 1848)455-6727	HOLDER.	CONFERS NO I	FED AS A MATTER OF RIGHTS UPON THE CE TE DOES NOT AMEND	RTIFICATE EXTEND OR	
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	vCustomer Corporation			71111 2107 7110 21101 21101			
	PO Box 2339						
	Kirkland, WA 98083		INSURER D.		<u> </u>		
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	if yea, describe under SPECIAL PROVISIONS below				E.L. DISEASE - SA EMPLOYEE		
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ČΕ	RTIFICATE HOLDER		CANCELLA	TION			
				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE			
Tennessee Regulatory				EXPRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT,			
Vivian Michael-Wilhoite				BUT PAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY			
460 James Robertson Parkway				OF ANY ICKO UPON THE INSORESITE ACENTS OR REPRESENTATIVES.			
	Nashville, TN 37243		AUTHORIZED REPRESENTATIVE				
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MU	DRD 25 (2001/08)			•	// QACORD C	ORPORATION 1988	

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(les) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

if SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)

DISCLAIMER

The Certificate of insurance on the reverse side of this form does not constitute a contract between the Issuing Insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or after the coverage afforded by the policies listed thereon.

Exhibit C

Copy of Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

among:

MCI WorldCom Communications, Inc., a Delaware Corporation;

and

vCustomer Corporation, a Washington Corporation

Dated as of April 15, 2005

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is entered into as of April 15, 2005, by and among: MCI WorldCom Communications, Inc., a Delaware corporation (the "Seller") and vCustomer Corporation, a Washington corporation (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Exhibit A.

RECITALS

- A. The Seller is engaged in the business of providing directory assistance and operator services, telerelay, internet protocol relay and video relay services;
- B. The Seller and the Purchaser desire to provide for the sale to and purchase by the Purchaser of certain of the assets of the Seller used in the Business to the Purchaser on the terms and subject to the conditions set forth in this Agreement; and
- C. The Seller and the Purchaser desire that (1) the Seller sell, assign, license or otherwise transfer, as appropriate, to the Purchaser, and for the Purchaser to purchase, assume or otherwise obtain from the Seller the Assets; and (2) the Seller and the Purchaser enter into an Agreement for Provision of Operator and Call Center Services, a Data Agreement, a Reciprocal Services Agreement, an MCI Network Services Agreement and an Intellectual Property License Agreement with respect to certain patent rights and MCI-proprietary software; in each of clauses (1) and (2) above as more particularly described in this Agreement and the other Transactional Agreements.

AGREEMENT

The parties to this Agreement, intending to be legally bound, agree as follows:

- 1. SALE OF ASSETS; RELATED TRANSACTIONS.
- 1.1 Assets to be Purchased. On the terms and subject to the conditions set forth in this Agreement, and subject to Section 1.3, the Seller shall sell, assign and transfer, or cause to be sold, assigned and transferred, to the Purchaser, and the Purchaser shall purchase and assume from the Seller, on the Closing Date (as defined below), all of the Seller's right, title and interest in and to the following (collectively, the "Assets") free and clear of any and all Encumbrances except Permitted Encumbrances:
 - (a) All of the Seller's rights and interests as of and after the Closing Date under the leases identified on Schedule 1.1(a) (collectively, the "Leases") with respect to the improved real properties identified on Schedule 1.1(a) (collectively, the "Leased Facilities");
 - (b) all items of equipment, trade fixtures and furnishings: (i) owned by the Seller as of the Closing Date that are used primarily or located at the Leased Facilities; (ii) that are used primarily or located at the facilities listed on Schedule 1.1(b)(ii) (the "Other Facilities", and together with the Leased Facilities, the "Facilities"); or (iii) identified on

1.

225798 v19/RE

Schedule 2.4 with an "T" in the column labeled "Included or Excluded Asset"; unless, in the case of Assets covered by Section 1.1(b)(i) or 1.1(b)(ii) hereof, such assets are Excluded Assets (collectively, the "Tangible Assets");

- (c) all of the Seller's rights and interests as of and after the Closing Date under the contracts identified on Schedule 1.1(c) (the "Contracts");
- (d) a list of potential third Person customers other than residential customers maintained by the Seller as of the Closing Date to the extent used in and applicable to the Business (provided that the Seller may retain and use in its sole discretion copies of any such lists to the extent used in any business other than the Business);
- (e) all of the Seller's rights and interests in and to the Intellectual Property Assets identified on Schedule 2.6 with a "T" in the column labeled "Transferred or Licensed IP"; and
- (f) copies of such records as the parties hereto may mutually agree during the Pre-Closing Period directly related to the operation of the Facilities and the Business.
- 1.2 Software and patent rights to be Licensed. The Seller shall license or cause to be licensed to the Purchaser, and the Purchaser shall license from the Seller or Seller's Affiliates pursuant to an Intellectual Property License Agreement on the terms set forth on Schedule 1.2 (the "IP License Agreement") the software applications identified on Schedule 2.6 with an "L" in the column labeled "Transferred or Licensed IP", and the rights under the patents and patent applications identified on Schedule 2.6 with a "PL" in the column labeled "Transferred or Licensed IP" (collectively, the "Licensed IP"). All Intellectual Property consisting of patents or patent applications that are identified on Schedule 2.6 as being transferred to the Purchaser shall be licensed back to the Seller pursuant to a License Back Agreement on the terms set forth on Schedule 1.2.
- Excluded Contracts. Notwithstanding anything to the contrary contained in this Agreement, neither the Seller nor any of its Affiliates shall be required to transfer to the Purchaser, and the Assets shall not be deemed to include, any rights under any Contract if (i) a consent, approval or waiver is required to be obtained from any Person in order to permit the transfer of the Seller's (or its Affiliates') rights under such Contract to the Purchaser and (ii) such consent, approval or waiver shall not have been obtained (each such Contract an 'Excluded Contract"). In the event that any Excluded Contract requires the Seller or any of its Affiliates to perform services after the Closing and the ability to provide such services has been transferred to the Purchaser pursuant to this Agreement, then to the extent permitted by applicable Legal Requirements and the applicable Excluded Contract, the Purchaser shall either (x) provide such services on the Seller's or its Affiliate's behalf, or (y) provide such services to Seller or Seller's Affiliate to enable Seller or its Affiliate to meet its obligations under such Excluded Contract, and the Seller shall remit to the Purchaser any and all payments received with respect to such services to the extent provided by the Purchaser, less Seller's direct allocated costs incurred by Seller in connection with providing such services and maintaining any such Excluded Contracts, it being understood that direct allocated costs shall be calculated including the cost associated

with the time spent by employees of or contractors to the Seller in connection with providing such services and maintaining such Excluded Contracts. The Seller shall not amend or terminate any of the Excluded Contracts or waive any material right thereunder during the term thereof without the prior written consent of the Purchaser so long as the Purchaser shall be performing in full all of the obligations of the Seller thereunder. Notwithstanding the foregoing, in the event that a consent to assign the Tax Abatement Agreement listed on Schedule 1.1(c) hereto is not obtained prior to the Closing, this Section 1.3 shall not apply to such agreement and the Seller shall have no further obligations with respect thereto.

- 1.4 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Assets shall not include any of the following (the "Excluded Assets"):
 - (a) any cash, short-term investments or other cash equivalents;
 - (b) any accounts receivable, notes receivable and other receivables of the Seller other than any such items that may accrue with respect to the Business after the Closing Date;
 - (c) any of the rights or assets identified on Schedule 1.4(c);
 - (d) any of the assets identified on Schedule 2.4 with an "E" in the column labeled "Included or Excluded Asset";
 - (e) any and all rights in and to claims or causes of action of Seller against third parties (including, without limitation, for indemnification) with respect to, or which are made under or pursuant to, Excluded Assets; or
 - (f) any other rights or assets that are not specifically referred to in Section 1.1.
- 1.5 Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement and subject to Section 1.6, on the Closing Date (as defined below), the Purchaser shall assume from the Seller and shall thereafter pay, perform and otherwise discharge according to their terms all of the following (collectively the "Assumed Liabilities"):
 - (a) All Liabilities arising under or related to the Leases and the Contracts (other than any Excluded Contract) to the extent such Liabilities arise from and/or after the Closing Date;
 - (b) All obligations and liabilities identified on Schedule 1.5(b); and
 - (c) All obligations and liabilities arising out of the operation of the Business after the Closing (except as set forth in Section 10.7).
- 1.6 Liabilities Not Assumed. The Purchaser shall not assume or become liable or obligated in any way, and the Seller shall retain and remain solely liable for all Liabilities of the Seller accruing prior to the Closing other than the Assumed Liabilities (collectively, the

3.

"Excluded Liabilities") including employment-related claims, wage claims, benefits claims, accrued vacation and other accrued paid time off accrued prior to the Closing.

1.7 Purchase Price. As consideration for the sale of the Assets to the Purchaser at the Closing, the Purchaser shall assume the Assumed Liabilities and shall pay an aggregate of

1.8 Sales Taxes. The Purchaser shall bear and pay, and shall reimburse the Seller for, all sales taxes, use taxes, transfer taxes, documentary charges, recording fees or similar taxes, charges, fees or expenses that may become payable in connection with the sale of the Assets to the Purchaser or in connection with any of the other Transactions. The Seller shall notify the Purchaser in advance of making any payment of such taxes if such payment is to be made in advance of the completion of the allocation set forth in Section 1.10.

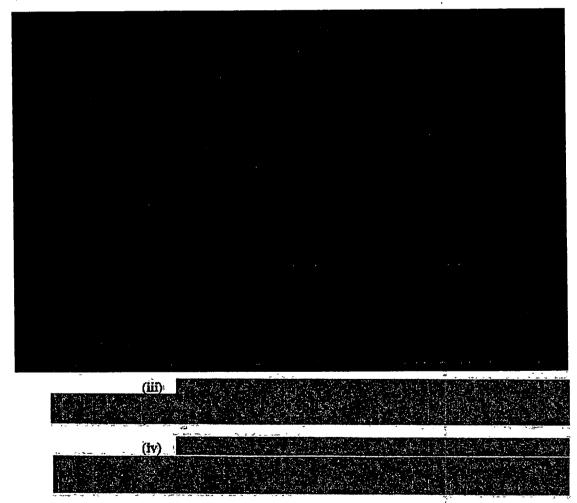
1.9 Proration of Expenses; Deposits and Bonds.

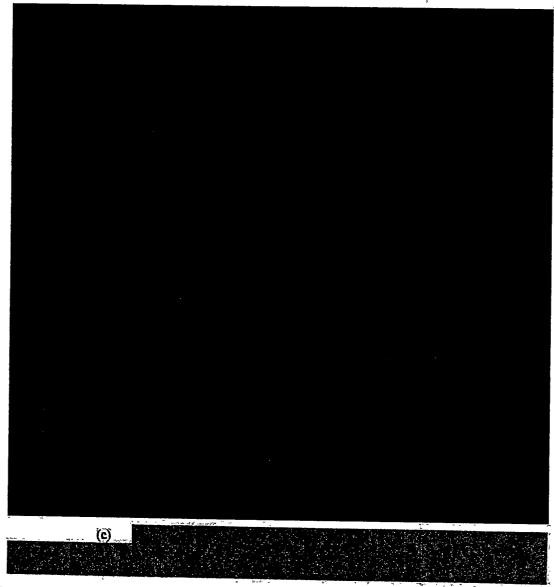
- (a) All accounts payable, utility charges or other expenses incurred with respect to, and any prepaid expenses attributable to, the Facilities, and all real property and personal property taxes, and periodic charges or fees assessed by any Governmental Body, if any, relating to any Facility, all shall be pro-rated on a daily basis between the Seller and the Purchaser as of 11:59 p.m. on the Closing Date or such other date as the parties agree in writing (the "Proration Date"). The Purchaser and the Seller shall prepare a proration schedule prior to Closing, including the items listed above and any other items the parties determine necessary (the "Proration Schedule"). Such Proration Schedule shall include all applicable income and expenses with regard to the Facilities.
- (b) Any escrow accounts held by any utility companies, any deposits held by lessors of the Leased Facilities or with respect to the Other Facilities, and any bonds or other financial security instruments held with respect to Contracts, shall be paid to the Seller or released by the holder thereof or, if assigned to the Purchaser, Seller shall receive a credit at Closing in the amount of any such accounts, deposits and bonds to the extent such accounts, deposits and bonds are identified by the Seller to Purchaser prior to the Closing.
- (c) The Purchaser shall be responsible for all expenses incurred with respect to the Assets attributable to the period from and after the Proration Date.

The parties agree that any amounts which are due as of Closing or will become due thereafter and which are payable under Section 1.9(a) shall be paid at Closing to the extent such amounts may be determined. A post-Closing reconciliation of all pro-rated items shall be made by the parties within thirty (30) days after Closing, and any additional amounts determined to be owing by either party shall be promptly forwarded to the respective party in a lump sum payment. Any additional amounts that may become due after such determination shall be forwarded at the time they are received.

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1.10 Allocation. At or prior to the Closing, the Purchaser and the Seller shall seek to agree to a statement setting forth the manner in which the consideration referred to in Section 1.7 is to be allocated among the Assets, which shall initially be prepared by the Purchaser and submitted to the Seller not fewer than sixty (60) days prior to the Closing for Seller's review and approval, such approval not to be unreasonably withheld, conditioned or delayed. If the parties so agree, the allocation prescribed by any such statement shall be conclusive and each party shall file any required tax return or other document with, or make any statement or declaration to, any Governmental Body that is consistent with such statement. If the Seller and the Purchaser are unable to agree to an allocation of the consideration referred to in Section 1.7 within sixty (60) days following the Closing Date, each of the Seller and the Purchaser may file IRS Rorm 8594 and any federal, state, local and foreign tax returns, allocating the aggregate consideration (including the Assumed Liabilities) among the Assets in the manner each believes is appropriate, provided that such allocation is reasonable and in accordance with Section 100 of the Code.





2. Representations and Warranties of the Seller.

The Seller represents and warrants to and the Purchaser as follows:

2.1 Due Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

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- 2.2 Absence Of Changes. Except as set forth in Schedule 2.2, from December 31, 2004 to the date of this Agreement:
 - (a) there has not been any adverse change in, and no event particular to the Seller has occurred that could reasonably be expected to have a Material Adverse Effect on the Business or the Assets;
 - (b) the Seller has not sold or otherwise transferred, or leased or licensed, any material asset primarily used in or material to the Business, other than in the Ordinary Course of Business;
 - (c) the Seller has not (i) established or adopted any Employee Benefit Plan, or (ii) paid any bonus or made any profit-sharing or similar payment to, or materially increased the amount of the wages, salary, commissions, fees, fringe benefits or other compensation or remuneration payable to, any of the officers, employees or independent contractors providing services primarily to the Business other than in the Ordinary Course of Business;
 - (d) no Contract under which the Seller has or had any rights or interests in or to any material Assets has been amended or terminated by the parties thereto;
 - (e) the Seller has not, with respect to the Business or the Assets, entered into any material transaction or taken any other material action outside the Ordinary Course of Business; and
 - (f) the Seller has not agreed, committed or offered (in writing or otherwise) to take any of the actions referred to in clauses "(b)" through "(e)" above.
- 2.3 Title To Assets; Sufficiency. The Seller owns, and has good and marketable title to, all of the Assets (excluding any Intellectual Property Assets) purported to be owned by it, including: (i) the Assets referred to in Schedule 2.4 that are being transferred to the Purchaser pursuant to this Agreement; and (ii) all rights of the Seller under the Leases and the Contracts. Except as set forth in Schedule 2.3(a), all of such owned Assets are owned by the Seller free and clear of any Encumbrances except for (w) any lien for current taxes not yet due and payable; (x) minor liens that have arisen in the Ordinary Course of Business and that do not (individually or in the aggregate) materially detract from the value of the Assets subject thereto or materially impair the operations of the Business; (v) any lien or encumbrance that is released or terminated on or prior to the Closing Date, or (z) to the extent any Asset is a Contract or Lease, the terms of such Contract or Lease (collectively, clauses (w), (x), (y) and (z) constitute, "Permitted Encumbrances"). The Assets are owned by and have vested in the Seller pursuant to Section 10.01 of that certain Modified Second Amended Joint Plan of Reorganization of Seller dated October 21, 2003. Except as set forth in Schedule 2.3(b), to the actual knowledge of the Seller, the Assets, the Licensed IP, the Intellectual Property Assets listed on Schedule 2.6 that are not Assets or Licensed IP, the facilities listed in the location code table on Schedule 2.4, the data to be provided under the Data Agreement, the services to be provided under the Reciprocal Services Agreement, corporate overhead functions commonly provided by a parent entity to its

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subsidiaries and operating divisions (such as, without limitation, billing, payroll, employee benefits, insurance and risk management, procurement, technical support (including software development and testing), marketing, human resources management, travel services, legal and regulatory support (including contract and marketing review), and trade show marketing, materials and logistics), and the customer agreements of the Seller with respect to the Business not listed on Schedule 1.1(c), as of the Closing Date, constitute all of the properties, rights, interests and other tangible and intangible assets necessary to enable the Purchaser to conduct the Business in the manner in which Business has been conducted by the Seller, assuming the execution, delivery and performance of all of the Transactional Agreements. The data to be provided under the Data Agreement, and the customer agreements (other than customer agreements for telerelay services), do not, for all purposes of this Agreement, constitute an Asset, Contract, Licensed IP or an Intellectual Property Asset.

- 2.4 Tangible Assets, Etc. Schedule 2.4 identifies all equipment, materials, prototypes, computers, servers, tools, supplies, furniture, fixtures, improvements and other tangible assets owned by the Seller and either (i) used primarily or located at the Facilities (other than items not material to the operation of the Business) or (ii) material to the Business. Schedule 2.4 also identifies all material tangible assets leased to the Seller that, if owned by the Seller, would be required to be listed pursuant to the preceding sentence. All of the Tangible Assets are in good operating condition and good repair, ordinary wear and tear excepted, are free from material defect and damage, and are usable in the Ordinary Course of Business.
- 2.5 Real Property. The Seller does not own any real property or any interest in real property in connection with the operation of the Business, except for the leasehold interests created under the Leases, copies of which have been provided to the Purchaser. To the actual knowledge of the Seller, the Seller enjoys peaceful and undisturbed possession of its premises under the Leases.
- 2.6 Intellectual Property Assets. Schedule 2.6 identifies each Intellectual Property Asset that is material to the Business. To the Seller's actual knowledge, the Seller has the right to use each Intellectual Property Asset that is an Asset without infringing or violating the rights of any third party. To the Seller's actual knowledge, no claim or demand has been asserted or threatened by any person to the ownership of or right to use any Intellectual Property Asset that is an Asset.
- 2.7 Contracts. Except as set forth in Schedule 2.7, the Seller has delivered to the Purchaser copies of all Contracts identified in Schedule 1.1(c), including all amendments thereto. Each of the Contracts identified in Schedule 1.1(c) other than any Excluded Contract is (assuming due authorization and execution by the other party or parties thereto) valid, binding and in full force and effect and enforceable by Seller in accordance with its terms, except as enforcement may be limited by general equitable principles and the exercise of judicial discretion in accordance with such principles. Except as set forth in Schedule 2.7, to the actual knowledge of the Seller: (i) no Person has violated or breached, or declared or committed any material default under, any Contract; (ii) no event has occurred, and no circumstance or condition exists, that could reasonably be expected to (with or without notice or lapse of time) (A) result in a material violation or breach of any of the provisions of any Contract, or (B) give

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any Person the right to cancel, terminate or modify any Contract; and (iii) the Seller has not received any written notice or other written communication regarding any actual, alleged, possible or potential material violation or breach of, or material default under, any Contract.

- 2.8 Vendors. Schedule 2.8 identifies each third-party vendor, supplier or other Person, other than any Person listed on Schedule 2.11(d), that received more than in the aggregate from the Seller in calendar year 2003 or calendar year 2004 with respect to the Business.
- 2.9 Compliance with Legal Requirements. Except as set forth in Schedule 2.9(a) and except as would not reasonably be expected to have a Material Adverse Effect on the Business, to the actual knowledge of the Seller: (a) the Seller is in full compliance with each United States domestic Legal Requirement that is applicable to the conduct of the Business; and (b) the Seller has not received, at any time, any written notice or other written communication from any Governmental Body or any other Person regarding any actual, alleged, possible or potential violation of, or failure to comply with, any United States domestic Legal Requirement that is applicable to the Business. Schedule 2.9(b) identifies each Governmental Authorization, pursuant to any Legal Requirement known to the Seller that is required to be obtained in connection with the consummation of the Transactions.
- 2.10 Governmental Authorizations. Schedule 2.10 identifies each material Governmental Authorization that is held by the Seller that is necessary for the operation of the Business pursuant to any Legal Requirement.

2.11 Employee And Labor Matters.

- (a) Schedule 2.11(a) sets forth certain information with respect to the employees of the Seller or, in the case of the Seller's outsourced service providers, employees of such service providers as more fully described thereon.
- (b) Except as set forth in Schedule 2.11(b), the Seller is not a party to or bound by, and has never been a party to or bound by, any employment contract or any union contract, collective bargaining agreement or similar contract with respect to employees primarily providing services with respect to the Business.
- (c) The Seller has made available to the Purchaser copies of all employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the current employees of the Seller primarily providing services with respect to the Business.
- (d) Schedule 2.11(d) sets forth the name of, and a general description of the services performed by, each individual independent contractor to whom the Seller has made any payment since December 31, 2003 in amounts in excess of with respect to the Business.

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- 2.12 Benefit Plans; ERISA. Schedule 2.12 identifies each Employee Benefit Plan currently maintained or sponsored with respect to employees of the Seller primarily providing services with respect to the Business. The Seller has made available to the Purchaser, with respect to each such Employee Benefit Plan: (i) a copy of such Employee Benefit Plan and all amendments thereto (including any amendment that is scheduled to take effect in the future); (ii) a copy of each material Contract (including any trust agreement, funding agreement, service provider agreement, insurance agreement, investment management agreement or recordkeeping agreement) relating to such Employee Benefit Plan; and (iii) a copy of any material description, summary, notification, report or other document with respect to such Employee Benefit Plan that has been furnished by the Seller to any employee of the Seller primarily providing services with respect to the Business. Each such Employee Benefit Plan is being administered and is in material compliance with all applicable reporting, disclosure and other requirements of ERISA and the Code and all other applicable Legal Requirements.
- 2.13 Proceedings; Orders. Except as set forth in Schedule 2.13, as of the date of this Agreement there is no Order entered against the Seller, there is no pending Proceeding and, to the actual knowledge of the Seller, no Person has threatened to commence any Proceeding against the Seller: (i) that involves the Business or the Assets; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Transactions.
- 2.14 Authority; Binding Nature Of Agreements. The Seller has the power and authority to enter into and to perform its obligations under each of the Transactional Agreements to which it is or may become a party, and the execution, delivery and performance by the Seller of the Transactional Agreements to which it is or may become a party have been duly authorized by all necessary action on the part of the Seller, its board of directors and officers. This Agreement constitutes the legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms. Upon the execution of each of the other Transactional Agreements at the Closing, each of such other Transactional Agreements to which the Seller is a party will constitute the legal, valid and binding obligation of the Seller and will be enforceable against the Seller in accordance with its terms.
- 2.15 Absence of Conflicts. The execution, delivery and performance by the Seller of this Agreement and the other Transactional Agreements, and consummation by the Seller of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, or (iii) result in a violation of the provisions of the certificate of incorporation or bylaws of the Seller, any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which the Seller is bound except for any such breach, default, violation, modification, termination or acceleration which would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on the Business or the Seller's ability to perform its obligations under this Agreement, in each case subject to the provisions of Sections 1.3, 10.3 and 10.9 hereof.
- 2.16 Brokers. The Seller has not agreed or become obligated to pay, and has not taken any action that might result in any Person claiming to be entitled to receive, any brokerage

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commission, finder's fee or similar commission or fee in connection with any of the Transactions.

2.17 Business Relationships. To the actual knowledge of the Seller, as of the date of this Agreement, there are no unresolved claims between the Seller and any of the Persons listed on Schedule 2.8 or who are counterparties to Contracts. Except as set forth on Schedule 2.17, to the actual knowledge of Seller, none of such Persons have advised the Seller of its intention to cease doing business with the Seller or with the Purchaser following the Closing Date, whether as a result of the Transactions or otherwise.

3. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER.

The Purchaser represents and warrants, to and for the benefit of the Seller, as follows:

- 3.1 Due Organization. The Purchaser is a corporation duly organized and validly existing under the laws of the State of Washington.
- authority to enter into and to perform its obligations under each of the Transactional Agreements and the Security Agreement to which it is or may become a party, and the execution, delivery and performance by the Purchaser of the Transactional Agreements to which it is or may become a party and the Security Agreement have been duly authorized by all necessary action on the part of the Purchaser, and each of their respective boards of directors and officers. This Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms. Upon the execution of each of the other Transactional Agreements and the Security Agreement at the Closing, each of such other Transactional Agreements to which the Purchaser is a party and the Security Agreement will constitute the legal, valid and binding obligation of the Purchaser, as applicable, and will be enforceable against the Purchaser, as applicable, in accordance with its terms.
- 3.3 Absence of Conflicts. The execution, delivery and performance by the Purchaser of this Agreement, the other Transactional Agreements and the Security Agreement, and consummation by the Purchaser of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, or (iii) result in a violation of the provisions of the articles of incorporation or bylaws of the Purchaser, any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which the Purchaser is bound except for any such breach, default, violation, modification, termination or acceleration which would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on the Purchaser or the Purchaser's ability to perform its obligations under this Agreement.
- 3.4 Consents. The execution, delivery and performance by the Purchaser of this Agreement, the other Transactional Agreements and the Security Agreement, and consummation by the Purchaser of the transactions contemplated hereby and thereby, do not and will not require the authorization, consent, approval, exemption, clearance or other action by or notice or

declaration to, or filing with, any Governmental Body, or the consent, waiver or approval of any other person or entity.

- 3.5 Brokers. The Purchaser has not become obligated to pay, nor has either taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee in connection with any of the Transactions.
- 3.6 Funds Available. The Purchaser has received and furnished to the Seller a true and complete copy of an executed, binding commitment letter from to provide debt financing pursuant to the terms thereof (the "Commitment Letter"). Giving pro forma effect to the closing of the transactions contemplated by such Commitment Letter (the "Debt Financing"),
- 3.7 Capability. After giving effect to the Transactions and the Debt Financing, the Purchaser has the operational, financial and personnel resources necessary to operate the Business and to perform its obligations under the Transactional Agreements without interruption in service commencing upon the Closing.

4. PRE-CLOSING COVENANTS OF THE SELLER.

- 4.1 Access And Investigation. The Seller shall provide the Purchaser and its Representatives with reasonable access to the Seller's Representatives, senior personnel of the Business (on a pre-identified and pre-authorized basis), the Assets and to other documents and information relating to the Business as the Purchaser may reasonably request in good faith.
- 4.2 Operation Of Business. Except as set forth on Schedule 4.2 and as otherwise necessary or appropriate to effectuate the Transactions contemplated by this Agreement, the Seller shall, during the Pre-Closing Period with respect to the Business and the Assets:
 - (a) conduct its operations in the Ordinary Course of Business and in substantially the same manner as such operations have been conducted prior to the date of this Agreement, except (i) as may be approved by the Purchaser (which consent shall not be unreasonably conditioned, withheld or delayed), (ii) as may be conducted in contravention of the policies and procedures described in Section 4.3, and (iii) as would not have a Material Adverse Effect on the Business;
 - (b) use its commercially reasonable efforts to (i) preserve intact the current organization of the Business, (ii) keep available the services of its current officers and employees of the Business, and (iii) maintain its relations and goodwill with all suppliers, customers, landlords, creditors, licensors, licensees, employees, independent contractors and other Persons having business relationships with the Business, each in the Ordinary Course of Business, except as may be approved by the Purchaser (which consent shall not

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be unreasonably conditioned, withheld or delayed) or as would not have a Material Adverse Effect on the Business.

- (c) notify the Purchaser of any material written notice received by the Seller from any of the landlords of any of the Leased Facilities, and to consult with the Purchaser (i) in advance of taking any intentional affirmative action that would result in the termination or modification of any Lease; or (ii) at least 30 days prior to the termination or renewal date of such Lease if the Seller does not as of such date, intend to renew such Lease.
- (d) not transfer, convey or license, or enter into any agreement or contract to transfer, convey or license, any of the Assets except in the Ordinary Course of Business and except as may be approved by the Furchaser (which consent shall not be unreasonably conditioned, withheld or delayed):
- (e) not establish or adopt any Employee Benefit Plan, or pay any material bonus or make any profit sharing or similar payment to, or materially increase the amount of the wages, salary, commissions, fees, fringe benefits of other compensation or remuneration payable to, any of its directors, officers, employees or independent contractors who provide services primarily to the Business, except as may be approved, by the Burchaser (which consent shall not be unreasonably conditioned, withheld or delayed) provided, that this Section 42(e) shall not apply to any company-wide refention bonus or similar plan in connection with any merger or business combination entered into by the Seller and/or its Affiliates.
- not enter into any fransaction of take any other action that could reasonably be expected to cause of constitute a material Breach of any representation or warranty made by the Seller in this Agreement; and
- (g) pay and discharge any trade payables relating to the Assets and the Business in accordance with the Seller's oustomary business practices in the Ordinary Course of Business;

provided, however, that notwithstanding the foregoing the Seller may take all-such actions as may be necessary on appropriate in connection with the consumnation of the transactions contemplated hereby and, any sale of or involving the seller may be cured within 90 days following such Breach (and in any case prior to the Closing Date), then the Seller shall be permitted to cure such Breach during such time period.

Policies and Procedures. The Seller has adopted the policies and procedures described on Exhibit 43. The Seller shall use commercially reasonable efforts to direct the management of the Business to comply in all respects with such policies and procedures with respect to the operation of the Business during the Pro-Closing Period.

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- 4.4 Filings and Consents. The Seller shall use commercially reasonable efforts to cooperate with the Purchaser and with the Rurchaser's Representatives as the Purchaser may request in good faith, in connection with any filing, notice or Consent that the Purchaser is required or elects to make, give or obtain
- the Transactions, during the Pre-Closing Period, neither the Seller nor any Seller Representative; shall directly or indirectly solicit, initiate, seek, encourage or support any inquiry, proposal, offer or bid from, negotiate with, provide any information to, or enter into any agreement with, any party in connection with the sale, transfer of all or any substantial portion of the Business or Assets, purchase of securities (whether by purchaser of assets, purchase of securities (debt or equity), exclusive license, joint venture formation or otherwise).
- 4.6 Reasonable Efforts. During the Fre-Closing Period, the Seller shall use its commercially reasonable efforts to cause the conditions set forth in Section 6 and Section 7 to be satisfied out a timely basis, provided that the Seller shall not be required to make any financial accommodation to a third party in order to obtain any consent or waiver which may be required to be obtained in order to satisfy such conditions (other than payment of any amount otherwise due such third party).
- 4.7 Confidentiality. That certain Nondisclosure Agreement dated as of September 28, 2004 shall remain in effect and the Seller shall continue to abide by its terms in all respects, provided however, that to the extent any provision in such Nondisclosure Agreement is in direct conflict with any provisions of this Agreement, the provision of this Agreement shall control.
- 4.8 Additional Assignors: Subject to Section 13 hereof; the Seller shall cause each of its Affiliates that is a party to any Contract to become a party to the Assumption Agreement for the purposes of assigning to the Purchaser such Entities? rights pursuant to such Contract.
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- 4.10 Taxes. Subject to Section 1.8, the Seller shall pay all taxes (whether assessed or unassessed) applicable to the Assets in each case attributable to periods (or portions thereof) ending on or prior to the Closing Date.
- 4.11 Communication with Employees. The Seller shall not make any oral or written communication with any of the employees of the Seller regarding their proposed employment by the Purchaser without (1) in the case of an oral communication, either the prior written consent of the Purchaser (which consent shall not be unreasonably conditioned, withheld or delayed) or a representative of the Purchaser present for such communication with prior notice of such communication, or (y) in the case of a written communication, the prior written consent of the Purchaser (which consent shall not be unreasonably conditioned, withheld or delayed) and the

review and approval of such communication (which approval shall not be unreasonably conditioned, withheld or delayed).

- 4.12 WARN Act. The Seller shall comply with the notice requirements of the Workers Adjustment and Retraining Notification Act, 29 U.S.C.A. §2101 et seq., if applicable.
- 4.13 Diligence for Regulatory Approvals. The Seller shall use commercially reasonable efforts to diligently pursue all approvals required by any Legal Requirement or any Governmental Body to be obtained by the Seller for the consummation of the Transactions, subject to Seller's and its Affiliates' personnel constraints or scheduling conflicts that may arise in connection with any merger or other similar business combination involving MCI, Inc. or any of its Affiliates.

5. PRE-CLOSING COVENANTS OF THE PURCHASER.

- 5.1 Reasonable Efforts. During the Pre-Closing Period, the Purchaser shall use its commercially reasonable efforts to cause the conditions set forth in Section 6 and Section 7 to be satisfied.
- 5.2 Confidentiality. That certain Nondisclosure Agreement dated as of September 28, 2004 shall remain in effect and the Purchaser shall continue to abide by its terms in all respects, provided, however, that to the extent any provision in such Nondisclosure Agreement is in direct conflict with any provisions of this Agreement, the provision of this Agreement shall control.
- 5.3 Communication with Employees. The Purchaser shall not make any oral or written communication with any of the employees of the Seller regarding offers of employment without (i) in the case of an oral communication, either the prior written consent of the Seller (which consent shall not be unreasonably conditioned, withheld or delayed) or a representative of the Seller present for such communication with prior notice of such communication, or (y) in the case of a written communication, the prior written consent of the Seller (which consent shall not be unreasonably conditioned, withheld or delayed) and the review and approval of such communication (which approval shall not be unreasonably conditioned, withheld or delayed).
- 5.4 Replacement of Certain Assets. The Purchaser and Seller will discuss the replacement of certain equipment used in the Business prior to closing. The Seller will use commercially reasonable efforts to replace those items of equipment that are agreed upon between the parties as being necessary for the operation of the Business and have reached the end of their useful lives as determined in accordance with industry standards.
- 5.5 Financing. The Purchaser shall use its best efforts to consummate timely the transactions contemplated by the Commitment Letter.
- 5.6 Employment Offers. Purchaser shall, within 30 days following the date hereof, extend offers of employment to those individuals listed on Schedule 6.6 on terms no less favorable than their current employment terms.

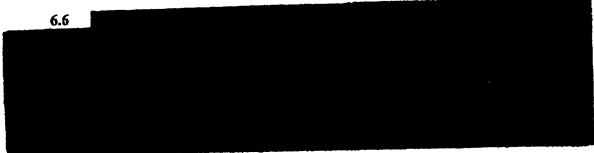
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5.7 Diligence for Regulatory Approvals. Purchaser shall fully participate with and use commercially reasonable efforts to diligently assist the Seller in its efforts to obtain all approvals required by any Legal Requirement or any Governmental Body for the consummation of the Transactions.

6. CONDITIONS PRECEDENT TO THE PURCHASER'S OBLIGATION TO CLOSE.

The Purchaser's obligation to purchase the Assets and to take the other actions required to be taken by the Purchaser at the Closing is subject to the satisfaction, at or prior to the Closing (except as otherwise indicated), of each of the following conditions (any of which may be waived by the Purchaser, in whole or in part, in writing):

- by the Seller in this Agreement (considered collectively), and each of said representations and warranties (considered individually), shall have been accurate in all material respects (except for representations and warranties that are qualified by materiality, which shall have been accurate in all respects) as of the date of this Agreement. Such representations and warranties shall be deemed to be accurate as of the Closing Date as if made on the Closing Date if any inaccuracies would not, in the aggregate, have a Material Adverse Effect on the Business or the Assets, provided that any actions taken as expressly permitted by Section 4.2 of this Agreement (including matters listed on Schedule 4.2), and as required by Section 4 of this Agreement or as otherwise consented to by the Purchaser shall not be deemed to cause any representations or warranties to be inaccurate.
- 6.2 Performance Of Obligations. All of the covenants and obligations that the Seller is required to comply with or to perform at or prior to the Closing (considered collectively), and each of said covenants and obligations (considered individually), shall have been duly complied with and performed in all material respects.
- 6.3 No Proceedings. Since the date of this Agreement, there shall not have been commenced or threatened against the Purchaser by any Governmental Body any Proceeding that could reasonably be expected to (i) have a Material Adverse Effect on the Purchaser or (ii) materially delay or make illegal any of the Transactions.
- 6.4 No Prohibition. Neither the consummation nor the performance of any of the Transactions will, directly or indirectly (with or without notice or lapse of time), contravene or conflict with or result in a violation of, or cause the Purchaser to suffer any adverse consequence under, any applicable Legal Requirement or Order, which violation or consequence would have a Material Adverse Effect on the Purchaser.
- 6.5 Regulatory Approvals. The parties hereto shall have received any Governmental Authorization, pursuant to any Legal Requirement known to the Seller, that is required to be obtained in connection with the consummation of the Transactions, and shall have submitted any notices required by any Legal Requirement or any Governmental Body for the consummation of the Transactions.



- 6.7 Third Party Consents. The Purchaser shall have entered into an agreement with or have been provided evidence of the consent to or approval of the Transactions (to the extent required pursuant to applicable Contracts) by those persons listed on Schedule 6.7.
- 6.8 Transactional Agreements. The Seller shall have executed and delivered to the Purchaser each of the Transactional Agreements.
- 6.9 State Consent. The Purchaser shall have obtained the consent of at least one of the states of California, Arizona or Tennessee in connection with the transfer or assignment to the Purchaser of the telecommunications relay service contracts with such states on or before the Closing Date.

7. CONDITIONS PRECEDENT TO THE SELLER'S OBLIGATION TO CLOSE.

The Seller's obligation to sell the Assets and to take the other actions required to be taken by the Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Seller, in whole or in part, in writing):

- by the Purchaser in this Agreement (considered collectively), and each of said representations and warranties (considered individually), shall have been accurate in all material respects (except for representations and warranties that are qualified by materiality, which shall have been accurate in all respects) as of the date of this Agreement and shall be accurate in all material respects as of the Closing Date as if made on the Closing Date. Such representations and warranties shall be deemed to be accurate as of the Closing Date as if made on the Closing Date if any inaccuracies would not, in the aggregate, have a Material Adverse Effect on the Purchaser's ability to consummate the transactions contemplated by this Agreement and perform its obligations under this Agreement, the Transactional Agreements, the Note and the Security Agreement, provided that any actions taken as required by Section 5 of this Agreement or as otherwise consented to by the Seller shall not be deemed to cause any representations or warranties to be inaccurate.
- 7.2 Purchaser's Performance. All of the covenants and obligations that the Purchaser are required to comply with or to perform pursuant to this Agreement at or prior to the Closing (considered collectively), and each of said covenants and obligations (considered individually), shall have been complied with and performed in all material respects.

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- 7.3 No Proceedings. Since the date of this Agreement, there shall not have been commenced or threatened against the Seller by any Governmental Body any Proceeding that could reasonably be expected to (i) have a Material Adverse Effect on the Seller or (ii) materially delay or make illegal any of the Transactions.
- 7.4 No Prohibition. Neither the consummation nor the performance of any of the Transactions will, directly or indirectly (with or without notice or lapse of time), contravene or conflict with or result in a violation of, or cause the Seller to suffer any adverse consequence under, any applicable Legal Requirement or Order, which violation or consequence would have a Material Adverse Effect on the Seller.
- 7.5 Regulatory Approvals. The parties hereto shall have received any Governmental Authorization, pursuant to any Legal Requirement known to the Seller, that is required to be obtained in connection with the consummation of the Transactions, and shall have submitted any notices required by any Legal Requirement or any Governmental Body for the consummation of the Transactions.
- 7.6 Transactional Agreements. The Purchaser shall have executed and delivered to the Seller each of the Transactional Agreements.
- 7.7 Promissory Note. The Purchaser shall have executed and delivered to the Seller the original Note.
- 7.8 Security Agreement. The Purchaser shall have executed and delivered to the Seller the Security Agreement.

8. TERMINATION.

- 8.1 Termination Events. This Agreement may be terminated prior to the Closing:
- (a) by the Purchaser if there is a material Breach of any covenant or obligation of the Seller and such Breach shall not have been cured within ten days after the delivery of notice thereof to the Seller;
- (b) by the Seller if there is a material Breach of any covenant or obligation of the Purchaser and such Breach shall not have been cured within ten days after the delivery of notice thereof to the Purchaser:
- (c) by the Purchaser if the Closing has not taken place on or before the date 180 days following the date hereof (other than as a result of any failure on the part of the Purchaser to comply with or perform its covenants and obligations under this Agreement); provided, that if the Closing has not taken place prior to such date because of the failure of the condition set forth in Section 6.5 and/or Section 7.5, the Purchaser shall not be entitled to terminate this Agreement until the date 365 days following the date hereof; and provided, further, that if the Closing has not taken place prior to such

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date because of the failure of the condition set forth in Section 6.7, the Purchaser shall not be entitled to terminate this Agreement until the date 270 days following the date hereof.

- (d) by the Seller if the Closing has not taken place on or before the date 180 days following the date hereof (other than as a result of any failure on the part of the Seller to comply with or perform any covenant or obligation set forth in this Agreement); provided, that if the Closing has not taken place prior to such date because of the failure of the condition set forth in Section 6.5 and/or Section 7.5, the Seller shall not be entitled to terminate this Agreement until the date 365 days following the date hereof; or
 - (e) by the mutual written consent of the Purchaser and the Seller.
- 8.2 Termination Procedures. If the Purchaser wishes to terminate this Agreement pursuant to Section 8.1(a), Section 8.1(c) or Section 8.1(e), the Purchaser shall deliver to the Seller a written notice stating that the Purchaser is terminating this Agreement and setting forth a brief description of the basis on which the Purchaser is terminating this Agreement. If the Seller wishes to terminate this Agreement pursuant to Section 8.1(b), Section 8.1(d) or Section 8.1(e), the Seller shall deliver to the Purchaser a written notice stating that the Seller is terminating this Agreement and setting forth a brief description of the basis on which the Seller is terminating this Agreement.
- 8.3 Effect Of Termination. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement shall terminate; provided, however, that: (a) no party shall be relieved of any obligation or other Liability arising from any Breach by such party of any provision of this Agreement (including the application of Section 9 to such Breach); (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Sections 4.7, 5.2 and 11.
- 8.4 Nonexclusivity Of Termination Rights. The termination rights provided in Section 8.1 shall not be deemed to be exclusive. Accordingly, the exercise by any party of its right to terminate this Agreement pursuant to Section 8.1 shall not be deemed to be an election of remedies and shall not be deemed to prejudice, or to constitute or operate as a waiver of, any other right or remedy that such party may be entitled to exercise (whether under this Agreement, under any other Contract, under any statute, rule or other Legal Requirement, at common law, in equity or otherwise).

9. INDEMNIFICATION, ETC.

9.1 Survival Of Representations And Covenants.

(a) The representations, warranties, covenants and obligations of each party to this Agreement shall survive the Closing and the sale of the Assets to the Purchaser and shall remain in full force and effect and shall survive for an unlimited period of time except as set forth in Section 9.1(b).

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- (b) The representations and warranties set forth in Sections 2 and 3 shall expire on the first anniversary of the Closing Date; provided, however, that if a Claim Notice (as defined below) relating to any representation or warranty set forth in any of such Sections is given to the indemnifying party on or prior to the first anniversary of the Closing Date, then, notwithstanding anything to the contrary contained in this Section 9.1(b), such representation or warranty shall not so expire, but rather shall remain in full force and effect until such time as the claim which is the subject of the Claim Notice has been fully and finally resolved, either by means of a written settlement agreement executed on behalf of the Seller and the Purchaser or by means of a final, non-appealable judgment issued by a court of competent jurisdiction.
- (c) For purposes of this Agreement, a "Claim Notice" relating to a particular representation or warranty shall be deemed to have been given if either party, acting in good faith, delivers to the indemnifying party a written notice stating that such indemnitee believes that there is or has been a Breach of such representation or warranty and containing (i) a brief description of the circumstances supporting such indemnitee's belief that there is or has been such a Breach, and (ii) a non-binding, good faith estimate of the aggregate dollar amount of the actual and potential Damages that have arisen and may arise as a direct or indirect result of such Breach.

9.2 Indemnification By Seller.

- (a) The Seller shall hold harmless and indemnify the Purchaser from and against, and shall compensate and reimburse the Purchaser for, any Damages that are actually suffered or incurred by the Purchaser or to which the Purchaser may otherwise become subject at any time (regardless of whether or not such Damages relate to any third-party claim) and that arise from or as a result of:
 - (i) any Breach of any of the representations or warranties made by the Seller in this Agreement;
 - (ii) any Breach of any covenant or obligation of the Seller contained in this Agreement;
 - (iii) any Liability of the Seller or of any Affiliate, other than the Assumed Liabilities:
 - (iv) any third party claim that challenges validity of the Seller's ownership immediately prior to the Closing of any of the Intellectual Property Assets that are Assets; and
 - (v) any Proceeding relating to any Breach, alleged Breach, Liability or matter of the type referred to in clause "(i)," "(iii)," and "(iv)," above.

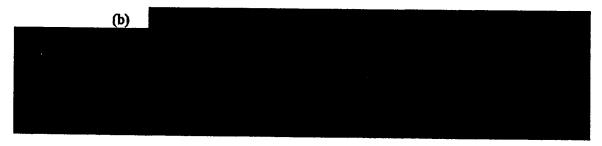
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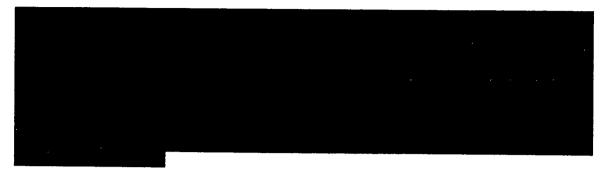


9.3 Indemnification By Purchaser.

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- (a) The Purchaser shall hold harmless and indemnify the Seller from and against, and shall compensate and reimburse the Seller for, any Damages that are actually suffered or incurred by the Seller or to which the Seller may otherwise become subject at any time (regardless of whether or not such Damages relate to any third-party claim) and that arise from or as a result of:
 - (i) any Breach of any representation or warranty made by the Purchaser in this Agreement;
 - (ii) any Breach of any covenant or obligation of the Purchaser contained in this Agreement;
 - (iii) any failure on the part of the Purchaser to perform and discharge the Assumed Liabilities on a timely basis;
 - (lv) any Liability of the Purchaser or of any Affiliate, with respect to the ownership and operation of the Assets from and after the Closing; or
 - (v) any Proceeding relating directly or indirectly to any failure or Breach of the type referred to in clause "(i)," "(ii)," "(iii)," or "(iv)" above.





- 9.4 Exclusivity Of Indemnification Remedies. The indemnification remedies provided in this Section 9 shall be the exclusive and sole remedies of each party (whether under this Agreement, under any statute, rule or other Legal Requirement, at common law, in equity or otherwise). Notwithstanding any other provision of this Agreement (i) in no event shall either party be liable for special, incidental, consequential or collateral Damages arising out of any Breach of the representations and warranties set forth in this Agreement other than those set forth in Sections 3.6 and 3.7; and (ii) in no event shall either party be liable for punitive damages in connection with any Damages arising out of any Breach of the representations and warranties set forth in this Agreement; provided, however, that nothing contained in this Section 9.4 shall limit any remedy at law or in equity to which either party may be entitled against the other party for fraud.
- 9.5 Defense Of Third Party Claims. In the event of the assertion or commencement by any Person of any claim or Proceeding with respect to which either party (the "Indemnifying Party") may become obligated to indemnify, hold harmless, compensate or reimburse the other party (the "Indemnified Party") pursuant to this Section 9, the Indemnifying Party shall have the right, at its election, to assume the defense of such claim or Proceeding at its sole expense. If the Indemnifying Party so elects to assume the defense of any such claim or Proceeding:
 - (a) The Indemnified Party shall make available to the Indemnifying Party any non-privileged documents and materials in the possession of the Indemnified Party that may be necessary or useful to the defense of such claim or Proceeding and shall reasonably cooperate with the Indemnifying Party in connection with such defense;
 - (b) the Indemnifying Party shall keep the Indemnified Party reasonably informed of all material developments and events relating to such claim or Proceeding;
 - (c) the Indemnified Party shall have the right to participate in the defense of such claim or Proceeding at its own expense; and
 - (d) the Indemnifying Party may settle, adjust or compromise such claim or Proceeding at its own expense without the prior written consent of the Indemnified Party, as applicable, provided that any such settlement, adjustment or compromise includes a full release of the Indemnified Party, as applicable, and does not subject the Indemnified Party to further obligations or restrictions.

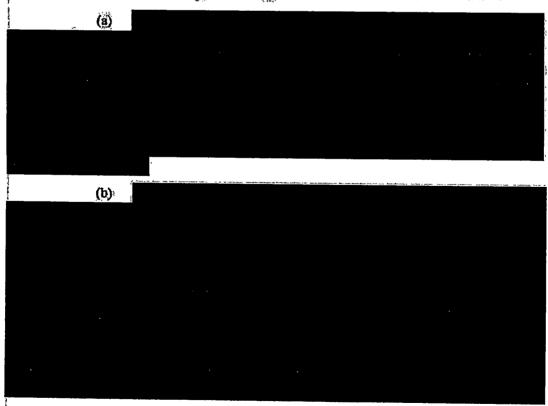
If the Indemnifying Party does not notify the Indemnified Party of its election to assume the defense of any such claim or Proceeding within 20 business days after receiving notice from the Indemnified Party of such claim or Proceeding, the Indemnified Party may proceed with the defense of such claim or Proceeding on its own. If the Indemnified Party so proceeds with the defense of any such claim or Proceeding on its own:

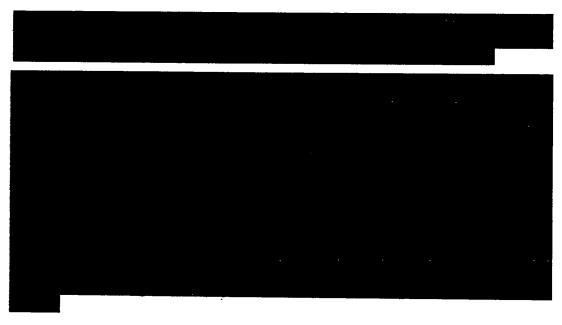
- (i) all reasonable expenses relating to the defense of such claim or Proceeding actually incurred by the Indemnified Party shall be borne and paid exclusively by the Indemnifying Party;
- (ii) the Indemnifying Party shall make available to the Indemnified Party any non-privileged documents and materials in the possession or control of the Indemnifying Party that may be necessary or useful to the defense of such claim or Proceeding and shall reasonably cooperate with the Indemnified Party in the defense of such claim or Proceeding;
- (iii) the Indemnified Party shall keep the Indemnifying Party reasonably informed of all material developments and events relating to such claim or Proceeding; and
- (iv) the Indemnified Party shall not have the right to settle, adjust or compromise such claim or Proceeding without the prior written consent of the Indemnifying Party; provided, however, that the Indemnified Party may settle, adjust or compromise such claim or Proceeding without the prior written consent of the Indemnifying Party at its sole expense and the Indemnifying Party shall have no liability or obligation to indemnify or reimburse the Indemnified Party in such event.

10. OTHER AGREEMENTS.

Publicity. The parties agree that they will use commercially reasonable efforts to mutually agree on the text of a public announcement regarding the Transactions to be made immediately following the date of this Agreement, a second announcement to be made immediately following the Closing, and notifications to employees, customers, vendors, regulators and other commercial parties, and each party shall ensure that, on and at all times after the date of this Agreement; (a) no press release concerning any of the Transactions is issued or otherwise disseminated on its behalf without the other party's prior written consent, which may be given or withheld in such party's sole discretion; (b) such party and its Representatives shall continue to keep the terms of this Agreement and the other Transactional Agreements, the Note and the Security Agreement strictly confidential; and (c) such party and its Representatives shall keep strictly confidential, and not publicly disclose, any non-public document or other information that relates to the Business, or the business of the Purchaser or the Seller, except in each case to the extent required by law. The Purchaser shall not use the MCI name or use any trademark or servicemark of MCI for any purpose other than as may be necessary for the purpose of effectuating the transactions contemplated in this Agreement or under any required state or federal regulatory proceeding and in such case only after prior consultation with and subject to the prior written consent of Seller.

- 10.2 Employment Offers and Procedures; Employee Benefit Matters. The Purchaser shall make a bona fide offer of employment to (i) all of the employees of the Seller and its Affiliates described on Schedule 10.2; and (ii) all of the employees of the Seller and its Affiliates who provide services to the Business as call center operators or call center site managers other than those employees expressly excluded on Schedule 10.2, and the Seller shall use its commercially reasonable efforts to have all of the employees of the Seller and its Affiliates who provide services primarily with respect to the Business become employees of the Purchaser on the Closing Date, in each case in accordance with the procedures and obligations set forth on Schedule 10.2. Until the earlier of twelve (12) months after the Closing Date or the date of the closing of any merger of other similar business combination involving MCL Inc. or any of its Affiliates, the Seller will not directly solicit any employee of the Purchaser that becomes employed by the Purchaser in connection with the Transactions to end his or her relationship with the Seller, provided that nothing shall prohibit the Seller from making general media solicitations with respect to employment.
- 10.3 Certain Intellectual Property Assets. The Seller will use commercially reasonable efforts to assist the Purchaser in obtaining licenses to the Intellectual Property Assets that are listed on Schedule 2.6 that are not Assets of Licensed IP, or reasonable substitutes therefor. Notwithstanding anything to contrary contained in this Agreement, the parties agree as follows with respect to the following software applications currently used by the Business:





10.4 Telecommunications Services Requirement

- (a) The Purchaser agrees that it will use the Seller for all of its telecommunications services, including data, voice and telecommunications related services in the performance of the Services (as defined in the DA Services Agreement). The Purchaser further agrees that it will use the Seller for not less than 50% of its remaining corporate and general business telecommunications usage including, but not limited to, telecommunications usage from the U.S. to the Philippines and other offshore locations as appropriate and all domestic data, voice and related telecommunications services, the Seller will offer these services on a commercially reasonable and competitive basis, such basis including but not limited to similar pricing, quality and terms of service, as it would for customers similar to the Purchaser in size and requirements.
- (b) Within thirty (30) days of the Closing Date, the Purchaser shall provide a schedule of all telecommunications services to the Purchaser and its Affiliates provided by other providers. Upon expiration of these contracts, the Purchaser shall enter into a good faith negotiation to transition the services to the Seller. In the event that the Seller does not provide such transitioned services, the Purchaser may contract for the services with another provider so long as the contract term does not exceed one (1) year.
- (c) On an annual basis, the Purchaser may request a competitive review of specific services it believes are not market competitive for customers of a similar size and requirements; provided however, that the Purchaser provides the Seller with not less than two (2) competitive offers that are based on substantially the same requirements (including geographic breadth, features and functionality and service levels) as contained in its contract with the Seller for such services. In the event that the Purchaser requests this review, and the

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competitive offers are at least ten percent (10%) less than the Seller pricing, the Seller shall have the option to match the pricing and continue provision of the services. In such an event, the contract for that service shall be extended by three (3) years from the original termination date of the contract. If the Seller in its sole discretion declines to bid on the reviewed services, the Purchaser may contract for the services with another provider so long as the contract term does not exceed one (1) year.

- (d) In the event the Purchaser requests a review of a particular service and pricing is part of a services bundle (defined as one or more services priced as a single service), and the repricing of the service shall materially alter the terms and conditions of the bundled pricing or the provisioning of the bundled service, the Seller reserves the right to reprice the remaining services in the bundle if it determines the service repriced as a result of this annual review changes the nature of the original offer.
- (e) The agreements set forth in this Section 10.4 shall be memorialized in a Network Services Agreement between the Seller and the Purchaser.
- 10.5 Reciprocal Services Agreement. The Purchaser and the Seller shall negotiate in good faith to prepare, execute and deliver at the Closing a reciprocal services agreement addressing those matters described on Schedules 10.5-B and 10.5-C in the manner described therein (the "Reciprocal Services Agreement").
- 10.6 No-Hire. For the period commencing on the Closing Date and ending on the earlier of (i) date the date six (6) months following the Closing Date or (ii) the date of the closing of any merger or other similar business combination involving MCI, Inc. or any of its Affiliates, the Seller agrees not to re-hire any of the former employees of the Seller and its Affiliates described on Schedule 10.6 hereto who become employees of the Purchaser in connection with the Transactions, provided that the Seller may re-hire any such employee the Purchaser terminates such employee's employment.
- obtaining licenses to the Intellectual Property Assets that are listed on Schedule 2.6 that are not Assets or Licensed IP, or reasonable substitutes therefor, including the software applications described in Section 10.3 and for any equipment, servers or computers procured by Seller in order to implement any technical solutions that may be agreed to as provided in Section 10.3. Purchaser shall provide reasonable documentation of such costs in order to receive reimbursement.
- 10.8 Purchaser WARN Act Compliance. After the Closing Date, the Purchaser shall comply with the notice requirements of the Workers Adjustment and Retraining Notification Act, 29 U.S.C.A. §2101 et seq. ("WARN"), if applicable, and shall not conduct any reductions in force which would subject Seller to liability for failing to comply with WARN.
- 10.9 Technical Review. Upon execution of this Agreement, the parties shall use commercially reasonable efforts to cooperate in the further review of the Assets, Excluded

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Assets and Business with respect to determining appropriate demarcations, interfaces and means of insuring the continued functionality of the operations of the Business following the Closing Date. In this regard, the parties agree that to the extent upon such review, Assets or Excluded Assets or additional assets or contracts are identified that should, for purposes of benefiting such functionality, operation of the business or to minimize the parties' collective costs of effectuating the transactions contemplated by this Agreement, either be retained by Seller, transferred to Purchaser, or shared between the parties, the parties agree to use good faith in making such determinations, and upon agreement as to the retention, transfer or sharing of any such Assets, Excluded Assets or additional assets or contracts, to modify the Schedules and the other Transaction Documents appropriately to reflect such agreement.

11. MISCELLANEOUS PROVISIONS.

- 11.1 Further Assurances. Each party hereto shall execute and/or cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the Transactions.
- 11.2 Fees and Expenses. Each party shall bear and pay all fees, costs and expenses that have been incurred or that are in the future incurred by, on behalf of or for the benefit of such party in connection with: (i) the negotiation, preparation and review of any letter of intent or similar document relating to any of the Transactions; (ii) the investigation and review with respect to the Business (and the furnishing of information to the Purchaser and its Representatives in connection with such investigation and review); (iii) the negotiation, preparation and review of this Agreement (including the Disclosure Schedule), the other Transactional Agreements, the Security Agreement and all bills of sale, assignments, certificates, opinions and other instruments and documents delivered or to be delivered in connection with the Transactions; (iv) the preparation and submission of any filing or notice required to be made or given in connection with any of the Transactions, and the obtaining of any Consent required to be obtained in connection with any of the Transactions; and (v) the consummation and performance of the Transactions.
- 11.3 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

if to the Seller:

Nicole S. Jones, Esq. Vice President, Corporate and Securities MCI, Inc. 22001 Loudoun County Parkway Ashburn, VA 20147 Fax: (703) 886-0880

with a copy to:

Cooley Godward LLP
One Freedom Square, Reston Town Center
11951 Freedom Drive
Reston, VA 20190
Fax: (703) 456-8100
Attn: Adam Salassi, Esq.

if to the Purchaser:

c/o vCustomer Corporation 520 Kirkland Way Kirkland, WA 98033 Facsimile: (425) Attn:

with a copy to:

DLA Piper Rudnick Gray Cary US LLP 701 Fifth Avenue, Suite 7000 Seattle, WA 98014 Facsimile: (206) 839-4801 Attn: W. Michael Hutchings, Esq.

11.4 Time Of The Essence. Time is of the essence of this Agreement.

- 11.5 Headings. The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.
- 11.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

11.7 Governing Law; Venue.

- (a) This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of New York (without giving effect to principles of conflicts of laws).
- (b) Any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement may be brought or otherwise commenced in the Federal District Court for the Southern District of New York, or any state court located in New York County, New York. Each party to this Agreement:

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- (i) expressly and irrevocably consents and submits to the jurisdiction of Federal District Court for the Southern District of New York, or any state court located in New York County, New York (and each appellate court located in the State of New York) in connection with any such legal proceeding;
- (ii) agrees that the Federal District Court for the Southern District of New York, or any state court located in New York County, New York shall be deemed to be a convenient forum; and
- (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in the Federal District Court for the Southern District of New York, or any state court located in New York County, New York, any claim that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

11.8 Successors And Assigns; Parties In Interest.

- (a) This Agreement shall be binding upon, and inure to the benefit of, the Seller and the Purchaser and their respective successors and assigns (if any) of the foregoing.
- (b) Neither the Seller nor the Purchaser shall be permitted to assign any of its respective rights or delegate any of its obligations under this Agreement without the other party's prior written consent.
- (c) None of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties to this Agreement and their respective successors and assigns (if any). Without limiting the generality of the foregoing, (i) no employee of the Seller shall have any rights under this Agreement, any of the other Transactional Agreements, the Note or the Security Agreement (including any schedules or exhibits hereto and thereto) and (ii) no creditor of the Seller or the Purchaser shall have any rights under this Agreement, any of the other Transactional Agreements, the Note or the Security Agreement (including any schedules or exhibits hereto and thereto).

11.9 Waiver.

- (a) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.
- (b) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver

of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

- 11.10 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf each of the parties.
- 11.11 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
- 11.12 Entire Agreement. The Transactional Agreements, the Note and the Security Agreement set forth the entire understanding of the parties relating to the subject matters thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter thereof.
- 11.13 Knowledge. For purposes of this Agreement, the Seller shall be deemed to have "actual knowledge" of a particular fact or other matter if any of Maria Silveira, Kristin Tambs, Patricia Taylor, Vijetha Huffman and Jim Myers has actual knowledge of such fact or other matter.

11.14 Construction.

- (a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.
- (b) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.
- (c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."
- (d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

[Signatures follow on next succeeding page]

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The parties to this Agreement have caused this Agreement to be executed and delivered as of April 15, 2005.
MCI WORLDCOM COMMUNICATIONS, INC., a Delaware corporation
tone,
By: Stephen R. Mooney Title: Assistant Treasurer
vCustomer Corporation, a Washington corporation
Ву:
Title:

SIGNATURE PAGE

The parties to this Agreement have caused this Agreement to be executed and delivered as of April 15 , 2005.

> MCI WORLDCOM COMMUNICATIONS, INC., a Delaware corporation

Stephen R. Mooney Title: Assistant Treasurer

VCUSTOMER CORPORATION, a Washington corporation

Sanjay Kumar
Title: President and Chief Executive Officer

EXHIBIT A

CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

Acquisition Transaction. "Acquisition Transaction" shall mean any transaction involving the sale or other disposition of all or any material portion of the Business or the Assets (other than in the Ordinary Course of Business).

Affiliate. "Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such other Person.

Agreement. "Agreement" shall mean the Asset Purchase Agreement to which this Exhibit A is attached (including the Disclosure Schedule), as it may be amended from time to time.

Agreement for Provision of Operator and Call Center Services. "Agreement for Provision of Operator and Call Center Services" shall have the meaning set forth in the Recitals.

Assets. "Assets" shall have the meaning set forth in Section 1.1.

Assumed Liability. "Assumed Liability" shall have the meaning set forth in Section 1.5.

Assumption Agreement. "Assumption Agreement" shall have the meaning set forth in Section 1.11(b)(v).

Breach. There shall be deemed to be a "Breach" of a representation, warranty, covenant, obligation or other provision if there is or has been any inaccuracy in or breach (including any inadvertent or innocent breach) of, or any failure (including any inadvertent failure) to comply with or perform, such representation, warranty, covenant, obligation or other provision, and the term "Breach" shall be deemed to refer to any such inaccuracy, breach, failure, claim or circumstance.

Business. "Business" shall mean the business of providing directory assistance and operator services, telerelay, internet protocol relay and video relay services operated by the Seller and its Affiliates as of the date of this Agreement.

Claim Notice. "Claim Notice" shall have the meaning set forth in Section 9.1(c).

Closing. "Closing" shall have the meaning set forth in Section 1.11(a).

Closing Certificate. "Closing Certificate" shall have the meaning set forth in Section 1.11(b)(ix).

Closing Date. "Closing Date" shall have the meaning set forth in Section 1.11(a).

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Code, "Code" shall mean the Internal Revenue Code of 1986, as amended.

Commitment Letter: "Commitment Letter" shall have the meaning set forth in Section 3.6.

Consent. "Consent" shall mean any approval, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

Contracts. "Contracts" shall have the meaning set forth in Section 1.1(c).

Damages. "Damages" shall include any loss, damage, injury, Liability, settlement, judgment, award, fine, penalty, Tax, fee (including any legal fee, expert fee, accounting fee or advisory fee), charge, cost (including any cost of investigation) or expense of any nature.

Disclosure Schedule. 'Disclosure Schedule' shall mean the schedule (dated as of the date of the Agreement) delivered to the Furchaser by the Seller, a copy of which is attached to the Agreement and incorporated in the Agreement by reference.

Employee Benefit Plan. Employee Benefit Plan" shall have the meaning specified in Section 3(3) of ERISA.

Encumbrance. "Encumbrance" shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, right of possession, lease, tenancy, license, encroachment, covenant, or infringement relating to any restriction on the transfer of any Asset, any restriction on the receipt of any income derived from any Asset, any restriction on the use of any Asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any Asset.

Entity. "Entity" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, frust cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm or other enterprise, association organization or entity.

ERISA. "ERISA" shall incan the Employee Retirement Income Security Act of 1974.

Excluded Contract. "Excluded Contract" shall have the meaning set forth in Section 1.3.

Excluded Assets. Excluded Assets shall have the meaning set forth in Section 1.4.

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Facilities. "Facilities" shall have the meaning set forth in Section 1.1(b).

Governmental Authorization. "Governmental Authorization" shall mean any: permit, license, certificate, franchise, concession, approval, consent, ratification, permission, clearance, confirmation, endorsement, waiver, certification, designation, rating, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement other than any contract with a Governmental Body.

Governmental Body. "Governmental Body" shall mean any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

Indemnified Party. "Indemnified Party" shall have the meaning set forth in Section 9.5.

Indemnifying Party. "Indemnifying Party" shall have the meaning set forth in Section 9.5.

Intellectual Property Asset. "Intellectual Property Asset" shall mean any patent, patent application, trademark (whether registered or unregistered and whether or not relating to a published work), trademark application, trade name, fictitious business name, service mark (whether registered or unregistered), service mark application, copyright (whether registered of unregistered), copyright application, maskwork, maskwork application, trade secret, know-how, customer list, franchise, system, computer software, invention, design, blueprint, engineering drawing, or other intellectual property right or intangible asset.

Leased Facilities. "Leased Facilities" shall have the meaning set forth in Section 1.1(a).

Leases. "Leases" shall have the meaning set forth in Section 1.1(a).

Legal Requirement. "Legal Requirement" shall mean any federal, state, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, requirement, specification, determination, decision, opinion or interpretation issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body.

Liability. "Liability" shall mean any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect,

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conditional, implied, vications, derivative joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with generally accepted accounting principles and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

Escensed IP, "Licensed IP" shall have the meaning set forth in Section 1.2.

Material Adverse Effect: 'Material Adverse Effect' shall mean any change or effect that is materially adverse to a party or the relevant portion thereof, provided however, that none of the following shall be deemed in themselves, either alone or in combination, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect; (a)

including any cancellations of or delays in customer orders, any failure to obtain the consent to assign any Contracts, any reduction in sales, any disruption in supplier, distributor, partner or similar relationships, or any loss of employees; (b) any adverse change or effect attributable to conditions (including any Legal Requirement) affecting the industry in which the Seller on the Purchaser (as applicable) participates, the US economy as a whole or foreign economies in any locations where the Seller or the Purchaser (as applicable) has material operations or sales; (c)

change or effect arising from or relating to actions required to be taken under applicable Legal Requirements or any contracts or agreements referred to in this Agreement or listed on the Schedules and Exhibits hereto; or (c) with respect to the Sellet, any adverse change or effect armbutable to the announcement or pendency of any merger or other similar business combination involving MCI, Inc. or any of its Affiliates.

Order. "Order" shall mean any: (a) order, judgment, injunction, edict, decree, ruling pronouncement, determination, decision, opinion, verdict, sentence, subpoent, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Body or any arbitrator or arbitration panel; or (b) Contract with any Governmental Body entered into in connection with any Proceeding.

Ordinary Course of Business. An action taken by or on behalf of the Seller shall be deemed to have been taken in the "Ordinary Course of Business" if such action is generally consistent with the past practices of the Seller and is taken in the ordinary course of the normal day-to-day operations of the Seller with respect to the Business.

Other Facilities. "Other Facilities" shall liave the meaning set forth in Section 1.1(6),

Permitted Encumbrance. "Permitted Encumbrance" shall have the meaning set forth in

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Person. "Person" shall mean any individual, Entity or Governmental Body.

Pre-Closing Period. "Pre-Closing Period" shall mean the period from the date of the Agreement through the Closing Date.

Proceeding. 'Proceeding' shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or any arbitrator or arbitration panel.

Proration Date. "Proration Date" shall have the meaning set forth in Section 1.9(a).

Proration Schedule. "Proration Schedule" shall have the meaning set forth in Section 1.9(a).

Purchaser. "Purchaser" shall have the meaning set forth in the Preamble.

Reciprocal Services Agreement. "Reciprocal Services Agreement" shall have the meaning set forth in Section 10.5.

Representatives. "Representatives" shall mean officers, directors, employees, agents, attorneys, accountants, advisors and representatives.

Security Agreement. "Security Agreement" shall have the meaning set forth in Section 1.11(a)(x).

Seller. "Seller" shall have the meaning set forth in the Preamble.

Tangible Assets. "Tangible Assets" shall have the meaning set forth in Section 1.1(b).

Tax. "Tax" shall mean any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), that is, has been or may in the future be (a) imposed, assessed or collected by or under the authority of any Governmental Body, or (b) payable pursuant to any tax-sharing agreement or similar Contract.

Transactional Agreements. "Transactional Agreements" shall mean: (a) the Agreement; (b) Agreement for Provision of Operator and Call Center Services; (c) the Assumption Agreement; (d) the Reciprocal Services Agreement; (e) the Data Agreement and (f) the IP License Agreement.

Transactions. 'Transactions' shall mean (a) the execution and delivery of the respective Transactional Agreements and the Security Agreement, and (b) all of the transactions contemplated by the respective Transactional Agreements and the Security Agreement, including: (i) the sale of the Assets by the Seller to the Purchaser in accordance with the Agreement; (ii) the assumption of the Assumed Liabilities by the Purchaser pursuant to the Assumption Agreement; and (iii) the performance by the Seller and the Purchaser of their respective obligations under the Transactional Agreements and the Security Agreement, and the exercise by the Seller and the Purchaser of their respective rights under the Transactional Agreements and the Security Agreement.

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SCHEDULE 1.1(a)

"LEASED FACILITIES"

1. 575 D'Onofrio Drive Suite 200, Madison, Wisconsin

Lease Agreement, dated as of May 6, 1992, by and between Welton Partners Limited and MCI Telecommunications Corporation, as amended by Amendment #1 to the Lease Agreement between Welton Partners Limited and MCI Telecommunications Corporation, dated as of November 15, 1993, Amendment #2 to the Lease Agreement between Welton Partners Limited and MCI Telecommunications Corporation, dated as of August 20,1996, the Third Amendment to the Lease Agreement between Welton Family Limited Partnership and MCI Communications Corporation, dated as of July 1, 1997, the Fourth Amendment to the Lease Agreement between Welton Family Limited Partnership and MCI Communications Corporation, dated as of August 25, 1998, and the Fifth Amendment to the Lease Agreement between Welton Family Limited Partnership and MCI Communications Corporation, dated as of June 6, 2002.

2. 1725 Shelby Oaks Drive North, Memphis, Tennessee

Industrial Lease Agreement, dated as of November 3, 1995, by and between Belz Devco L.P. and MCI Telecommunications Corporation, as amended by the Second Amendment to Lease dated as of July 22, 1996 by and between Belz Devco, L.P. and MCI Telecommunications Corporation, as amended by the Amendment and Renewal Agreement, dated as of June 19, 2003, by and among Belz Devco GP and MCI WORLDCOM Network Services, Inc., and subject to a Subordination, Attornment and Nondisturbance Agreement by and between MCI Telecommunications Corporation and Protective Life Insurance Company, and the Order of the United States Bankruptcy Court, Southern District of New York, dated July 29, 2003.

3. 6436 Oakdale Road, Riverbank, California

Standard Industrial / Commercial Single-Tenant Lease – NET, dated as of September 6, 1996 by and between Patricia and Bruce Bossow and MCI Telecommunic tions Corporation, as amended by the First Amendment to Lease, dated as of April 11, 2000, by and between Patricia and Bruce Bossow and MCI WORLDCOM Communications, Inc. (office building) and that certain Ground Lease Agreement, dated as of March 1, 1998, by and between P&L Properties and MCI Telecommunications Corporation, as amended by the First Amendment to Ground Lease, dated as of April 11, 2000, by and between P&L Properties and MCI WORLDCOM Communications, Inc., and the Second Amendment to Ground Lease, dated as of October 20, 2000, by and between P&L Properties and MCI WORLDCOM Communications, Inc. (parking facility).

4. 8300 Gateway Boulevard East, Suite 500, El Paso, Texas

Lease Agreement (undated) between Juan Gonzales Reyes and Marcelo F. Gomez and MCI WORLDCOM Communications Inc.

5. 8465 Gran Vista Drive, El Paso, Texas

Standard Industrial/Commercial Multi-Tenant Lease-Modified Net American Industrial Real Estate Association, dated as of February 28, 1997, by and between East Valley Commerce Park, Ltd. and MCI Telecommunications Corporation, as extended pursuant to the Option to Extend dated as of February 28, 1997 by a letter dated as of August 20, 2001.

SCHEDULE 1.1(b)(ii)

"OTHER FACILITIES"

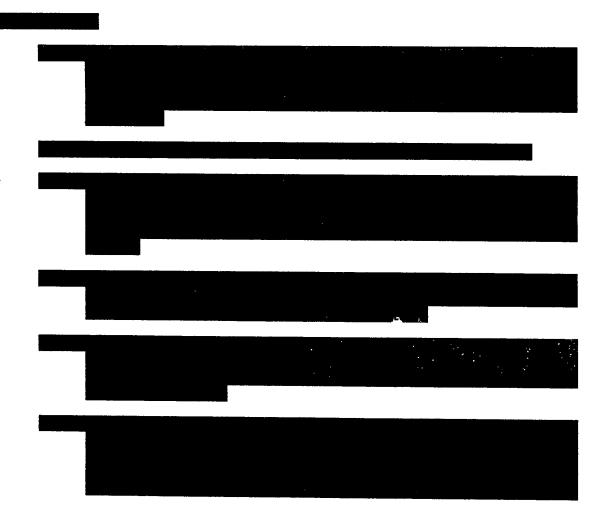
1. The facilities located at BPI Buendia Center, Sen. Gil J. Puyat Avenue, City of Makati, Philippines (16th, 17th, 18th, 19th floors).

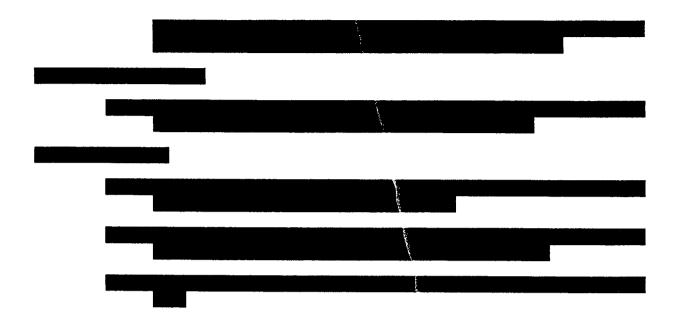
SCHEDULE 1.1(c)

CONTRACTS

TELERELAY SERVICES CONTRACTS

- California Relay Service Contract for California Relay Service Call Center Services with MCI WORLDCOM Communications, Inc., dated as of March 17, 2004.
- 2. Arizona Telecommunications Relay Service Selected Agency Contract, dated as of January 1, 2002, by and between MCI WORLDCOM Global Relay and Arizona State Procurement Office and Amendments No. 1 and 2 to the same.
- 3. Contract between the *State of Tennessee, Tennessee Regulatory Authority*, and MCI WORLDCOM Communications, Inc., dated as of March 30, 2001.
- 4. Agreement between MCI Worldcom Communications, Inc. and West Interactive Corporation dated as of November 24, 2004.





SCHEDULE 1.2

IP LICENSE AGREEMENT TERMS

License Agreement Terms:

A world-wide, fully paid, perpetual, non-exclusive, royalty-free license to the Purchaser to use the subject matter intellectual property for internal use and to provide services to the Purchaser's customers, and to sublicense the subject matter intellectual property to service providers to the Purchaser for the Purchaser's internal use.

License Back Agreement Terms:

A world-wide, fully paid, perpetual, non-exclusive, royalty-free license to the Seller to use the subject matter intellectual property for internal use and to provide services to the Seller's customers, and to sublicense the subject matter intellectual property to service providers to the Seller for the Seller's internal use.